

**STATE OF ARIZONA
NOTICE OF REQUEST FOR PROPOSAL (RFP)
ARIZONA STATE PROCURMENT OFFICE**

SOLICITATION NUMBER: 9-015

DESCRIPTION: Data Center Outsourcing

OFFER DUE DATE AND TIME: December 5, 2007, 3:00 pm, MST.

SUBMISSION OF INQUIRIES DUE DATE: Inquiries regarding this RFP should be submitted in writing (paper copy and e-mail), seven (7) days prior to the Pre-Offer Conference, **to the Solicitation Contact Person identified below.** Reference the Special Instructions, "Submission of Inquiries" section for more specific information.

PRE-OFFER CONFERENCE: October 31 2007, 1PM, Department of Revenue, 1600 W. Monroe, 9th floor, Executive Conference room, Phoenix, AZ 85007; see the Special Instructions, "Pre-Offer Conference" section for additional information.

OFFER DELIVERY/MAILING ADDRESS AND OFFER OPENING LOCATION:

Arizona State Procurement Office
100 N. 15th Avenue, Suite 104
Phoenix, Arizona 85007

In accordance with A.R.S. §41-2534 Competitive Sealed Proposals for the services specified will be received by the Arizona State Procurement Office at the above specified location until the time and date cited above. Offers received by the correct time and date will be opened and the name of each Offeror will be publicly read. Offers must be in the actual possession of the Arizona State Procurement Office on or prior to the time and date, and at the location indicated above. **Late Offers will not be considered.**

Offers shall be submitted in a sealed package with the RFP number and the Offeror's name and address clearly indicated on the package. Additional instructions for preparing a Proposal are provided in the Uniform Instructions and Special Instructions as contained within this notice.

Solicitation Contact Person:

Richard Szawara, Contract Officer

Phone Number: (480) 203-6866

Facsimile Number: (602) 944-1381

If sending a Facsimile call 480-203-6866 prior to sending

E-mail: eps100@cox.net

Date: October 15, 2007



James Scarboro
Deputy State Procurement Administrator

ATTACHMENT #2

PRICE SCHEDULE

The Contractor shall be paid in accordance with the following five (5) price components:

1. Relocate Equipment: Move equipment identified, in Appendix A and in accordance with the Scope of Work, to the Contractor's location.

\$ _____

2. "Silver" service level as specified by the Scope of Work, to include Appendices; price will be paid per server each month.

\$ _____

2. "Gold" service level as specified by the Scope of Work, to include Appendices; price will be paid per server each month.

\$ _____

4. "Platinum" service level as specified by the Scope of Work, to include Appendices; price will be paid per server each month.

\$ _____

5. Task Assignment: Priced per hour of service provided.

Technician (hourly rate) \$ _____

Engineer (hourly rate) \$ _____

Data Base Administrator (hourly rate) \$ _____

Project Manager (hourly rate) \$ _____

Other (hourly rate)

_____ \$ _____
(Specify)

**OFFER AND ACCEPTANCE
STATE PROCUREMENT OFFICE**

Solicitation # 9-015

**ATTACHMENT 1
OFFER**

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this offer, contact:

Federal Employer Identification No.:

Name:

Phone:

Fax:

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City

State

Zip

Title

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 75.5 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization ___is/___is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This contract shall henceforth be referred to as Contract No. _____. The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona

Awarded this

day of

20

Procurement Officer

1.0 Definition of Terms

The terms listed below are defined as follows:

- 1.1 **“Vendor”** and **“Outsourcer”** and **“Service Provider”** and **“Provider”** also means Contractor, unless otherwise indicated.
- 1.2 **“Key Personnel”** means persons whose experience and knowledge is professional in nature as opposed to clerical. Professional work is that which is predominantly intellectual and varied in character (as opposed to routine, manual, mechanical or physical) and involves the consistent exercise of discretion and judgment in the theoretical principles and techniques of a recognized field of science or learning.
- 1.3 **“May”** means something is permissive.
- 1.4 **“Must”** denotes the imperative.
- 1.5 **“Shall”** means something is mandatory.
- 1.6 **“Should”** denotes a preference.
- 1.7 **“Outages”** means the operating systems to include the hardware are not functional or are not providing services required by the Contract.

2.0 RFP Summary

The Arizona Department of Revenue (ADOR) is seeking a qualified IT outsourcer/Service Provider to provide outsourcing services for management of its production server environment.

2.1 Introduction and Overview

The following section provides an overview of the ADOR environment and defines the factors driving this procurement. This section begins with a description of the ADOR environment. The planned direction of the Information Services organization is then summarized, followed by a statement of purpose for this procurement.

2.2 Purpose of RFP

ADOR has issued this RFP to contract with an experienced commercial outsourcer(s) to relocate equipment, operate, maintain, and support the ADOR production processing environment. This production environment currently consists of a total of 91 servers, comprised of 84 Microsoft Windows, 1 Linux, 1 Tru64 Alpha, and 5 Sun Solaris servers, associated disk drives, tapes, the related data center network, and associated system software.

The scope of this RFP includes and the Contractor shall provide the planning, resulting relocation, service transition, on-going operation, production control, Level 2 Help Desk, and technical support of these systems in the outsourced production environment. These services must be provided at an outsourcer data center environment located within the State of Arizona. Further, these services must be available 24 hours per day, 365 days per year.

ADOR will retain responsibility for and the Contractor will not be responsible to provide any of the following: application development functions, mainframe and print operations, Level 1 Help Desk security administration, on-site agency LAN/WAN networks, and desktop support.

Level 1 help desk support is defined as: The single point of contact for ADOR personnel and clients to initiate a request, request information, or notify ADOR of an outage not detected by the vendor. The Level 1 Support consist of call center personnel responsible for taking the initial request and determining which department can best service the client. Additional functionality includes password resets, Move Add or Change (MAC), request for software modifications, and communications with ADOR staff.

Level 2 Help Desk support is defined as: The single point of contact for ADOR to escalate issues to the vendor. Level 2 support consists of system administrators, network administrators and other support personnel who triage the initial call and render a solution or escalate to the appropriate support level. Additionally, the level 2 support will monitor the ADOR systems and notify ADOR's designated contact personnel if an issue is detected. In this instance the "Issue" may cover a wide range of incidents including hardware failure, software problems, emergency repairs, or network connectivity.

2.3 ADOR Background

ADOR's mission is to fairly and efficiently administer tax laws for the people of Arizona. It is our vision that we set the standard for tax services. In order to support this mission, the department is currently reengineering its business processes and updating its tax administration systems. This project, the Business Reengineering and Integrated Tax Systems (BRITS), is managed by the department's Information Technology (IT) division. Two successful releases of the agency tax system (TAS) have been completed, and the final release is scheduled for completion in December 2007. The introduction of this new tax system has dramatically altered the technology landscape within ADOR.

2.3.1 Management Objectives

ADOR has become more dependent than ever before on Data Center Services because of the transactional, Web-based, 24x7, global economy that impacts taxpayer expectations. At the same time, ADOR recognizes that information technology can realize major cost savings through data center right-sizing and consolidation. Governance is making greater demands in terms of compliance, archiving, data management, and security. Lastly, to ensure disaster recovery and business continuity, today's data centers must support recovery, back-up, and redundant systems.

ADOR's management objectives include the need to take a more global, Data Center Lifecycle Management approach to operating an adaptive Data Center. We are looking to fulfill the following current and future needs by contracting with a vendor to provide an end-to-end solution including every aspect of the data center life cycle, completely integrated, and managed through consistent process and ownership. Our objective is to have a Data Center that:

1. is capable of adapting to changes in our business needs and infrastructure;
2. allows our agency and business strategy to drive our application requirements;

3. allows IT Infrastructure requirements to dictate Data Center design; and
4. allows our application requirements to define our underlying IT Infrastructure needs.

The Contractor will be responsible for establishing a Data Center Lifecycle Management solution that will satisfy and accomplish the following:

1. Data Center Analysis and Planning
 - A. Strategic Needs Analysis
 - B. Facility Review and Evaluation
 - C. Requirements Analysis
 - D. Physical Equipment Inventory
 - E. Data Center Consolidation Analysis
 - F. Disaster Recovery Analysis
 - G. Data Protection Analysis
2. Design, Build, and Setup
 - A. Data Center Setup/Design
 - B. Space Management
3. Data Center Execution
 - A. Data Center Relocation Assistance
 - B. Data Center Equipment Relocation
 - C. Data Center Consolidation/Migration
 - D. Data Center Logical/Physical Relocation Planning
4. Continuous Data Center Management and Evaluation
 - A. Service Level Agreement (SLA) Establishment
 - B. Periodic Data Center Evaluations
 - C. Critical Infrastructure Monitoring and Analysis
 - D. Disaster Recovery Health Checks

3.0 Service Scope and Descriptions

ADOR has identified infrastructure-related initiatives the Contractor shall provide to further improve the level of efficiency and effectiveness in the delivery and management of IT services. These initiatives include the following:

- Server Management – Providing effective, efficient, predictable, high-quality server management services that satisfies the designated Service Level Agreement (SLA).
- Network Management – Providing and/or managing an efficient production environment Network Infrastructure in support of ADOR's production server environment.

3.1 Scope: Projected Timing for Production Outsourcing

ADOR anticipates the overall timing, from Contract award, and assumption by the Contractor of the ADOR production environment, to take approximately Nine (9) months to complete in accordance with the following anticipated schedule:

Contract award – on or before 2-18-08.

Plan equipment move with ADOR and AT&T, and prepare data centers/servers/networks for move – 3/2008 to 9/2008.

Move servers from AT&T no later than - 9/26/08.

Servers must be operational within 2 days after servers are moved.

Close out/ADOR sign off – within 10 days after servers are moved.

Implementation Phase, Part 1: Schedule and move the production servers from the AT&T data center to the new facility. During this part several tasks will be initiated, back up of existing system, shut down of server environment, removal of the hardware from the AT&T facility, physically move the servers to the new facility, install and test the equipment, ensure connectivity and proper functionality of the systems, load monitoring tools and bring the production servers online for operation - 8/15/2008 to 9/26/2008.

Implementation Phase, Part 2: Schedule and move the production servers from the ADOR data center to the new facility. During this part several tasks will be initiated, back up of existing system, shut down of server environment, removal of the hardware from the AT&T facility, physically move the servers to the new facility, install and test the equipment, ensure connectivity and proper functionality of the systems, load monitoring tools and bring the production servers online for operation - 9/15/2008 to 11/14/2008.

Operational Hand-off Phase, Part 3: Transition from project team to the operations team the responsibility for monitoring and maintaining the servers. For this part the Operations team will become the primary contact point for DOR – 9/15/08 to 11/14/08.

In the event the Contract is awarded after 2/18/08 all of the dates may be moved forward on a "day for day basis" except that the date the servers must be moved from AT&T (9/26/08) and the date the AT&T moved servers must be operational (within two days after the move) shall not be modified.

3.2 Scope: Overview

ADOR desires to contract with an experienced commercial outsourcer to relocate equipment, operate, maintain, and support ADOR's production environment which consists of a mix of Windows, Linux, and Sun servers, associated disk drives, and tapes. Related Data Center network connectivity to ADOR facilities shall be provided by the Contractor and included within monthly per server charges.

The Contractor shall provide the following:

- Planning, relocation, and transition of ADOR production servers to Vendor environment;
- Ongoing hardware and operating system operational support;
- Level 2 Help Desk and technical support of ADOR production systems; and
- Network operational support on production server network and network connectivity to ADOR facilities.

These services shall be provided at the Contractor's data center(s) located in the state of Arizona and available 24 hours per day, 365 days per year.

All application development functions, print operations, Level 1 Help Desk, security administration, local ADOR network administration, and desktop support will remain the responsibility of ADOR.

3.2.1 Scope: Data Centers

ADOR currently has production servers located in two locations specified below. ADOR plans to outsource the following data center/IT locations operated or currently outsourced by ADOR and the Contractor shall relocate equipment at these locations to the Contractor's business location:

DOR Main Data Center
Arizona Department of Revenue
1600 West Monroe
Phoenix, Arizona 85007

AT&T Data Center
1301 W. University
Mesa, AZ 85201

A list of equipment within each Data Center is provided in the following sections: Details of equipment by location are contained in APPENDIX A: Server Inventory. The contractor shall assume all costs associated with equipment transfer, to include relocation and may not charge ADOR separately for these costs, except as indicated on the Price Schedule (Attachment # 2).

3.2.2 Scope: Server Management

The current ADOR production server environment includes a total of 91 servers: 84 Microsoft Windows, 1 Linux, 1 Tru64 Alpha, and 5 Sun Solaris servers, as well as associated disk drives and tapes. This equipment is spread across the ADOR data center environments in the following configuration:

- ADOR Main Data Center – 63 servers;
- AT&T Data Center – 28 servers.

Detailed equipment information is provided in APPENDIX A: Server Inventory.

The scope of services related to server management includes and the Contractor shall provide the following:

- On-going operation support and maintenance, except that ADOR will have responsibility for replacing existing equipment and acquiring new equipment;
- Production control monitoring;
- Limited middleware support for Microsoft Exchange™ and Active Directory™;
- Change Management responsibility for Operating System and Hardware patches/updates/upgrades; and
- Level 2 Help Desk and technical support.

ADOR currently utilizes the HEAT® help desk system for trouble ticketing and problem resolution. The Contractor shall integrate and communicate with ADOR's HEAT help desk system for trouble ticketing/reporting purposes only.

3.2.3 Scope: Network Management

The Contractor shall provide complete, end-to-end network services to/from Contractor's data center location(s) and ADOR's facilities in Phoenix, East Mesa, and Tucson. The

Contractor shall, as necessary, provide circuit demarcation at each ADOR facility back to Contractor's Data Center location(s) with bandwidth equal to or greater than what ADOR currently has in place from the AT&T Data Center ONLY. Currently, ADOR is connected to the AT&T Data Center through the following connections:

Table 1: AT&T Data Center Connections.

Site 1	Site 2	Connectivity
AT&T Data Center	ADOR Main Facility 1600 West Monroe Phoenix, AZ 85007	DS-3
AT&T Data Center	ADOR Main Facility 1600 West Monroe Phoenix, AZ 85007	VPN tunnel via Internet as circuit backup
AT&T Data Center	East Valley Office 3191 North Washington Chandler, AZ 85225	T-1
AT&T Data Center	Tucson Office 400 West Congress Tucson, AZ 85701	T-1

A high-level network map is provided in Appendix B showing current connectivity amongst sites. The Contractor shall provide under the scope of network management services the following critical sub-services:

- Traffic analysis;
- Load balancing;
- Volume monitoring;
- Internal connectivity at Vendor's facility ONLY;
- Port analysis;
- Circuit life; and
- Signal strength.

3.2.4 Capacity Management

The Contractor shall provide capacity management, which refers to the planning and control of all system and support components (CPU, memory, disk space, tape, network bandwidth, electrical, HVAC) to ensure sufficient computer resources to satisfy ADOR requirements. It represents the ability to handle peak usage by providing adequate system and support resources (CPU, memory, disk, tape, network bandwidth, electrical and HVAC) and the ability to increase or decrease capacity as dictated.

3.2.5 Performance and Availability Monitoring

The Contractor shall measure and generate reports on the outsourced production operating environment on a regular basis, as well as after any significant hardware or software configuration change. The Contractor shall provide performance monitoring, which is defined as the processes involved in the on-going examination of the hardware and operating system(s) of each in-scope production server. Availability monitoring is defined as the processes involved in ensuring the maximum time that systems are accessible by ADOR from within their facilities.

3.2.6 Change Management

The Contractor shall provide change management, which is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes.

3.2.7 Backup Processing and Practices

The Contractor shall be responsible for all physical handling and management of tapes, both on and off site or for the backup of all production equipment including configuration files and data on servers.

3.2.8 Technical Support/Problem Management

The Contractor shall provide technical support, which is defined as the support provided for hardware and system software (e.g., operating systems, storage equipment, storage management software, and other in-scope items). The Contractor shall take a proactive role in analyzing new system software products and educating ADOR on new features and capabilities. Further, ADOR provides Help Desk support for all IT related problems (mainframe, midrange, applications, networks, PCs) utilizing the HEAT™ help desk. ADOR will use the Vendor for Level 2 support for production hardware and operating system technical support issues on a 24x7x365 basis. It is ADOR's intent to maintain its current Help Desk infrastructure for Level 1 issues. The Vendor will also provide Level 1 support when it is not available from the agency (i.e., nights, weekends) and will integrate with ADOR's help desk system to allow trouble-ticket messaging to occur between ADOR and Vendor.

3.2.9 Security & Confidentiality

The Contractor shall comply with all security and confidentiality requirements. ADOR has its own guidelines regarding security with stringent guidelines mandated by Federal and State statutes and regulations. The Vendor must provide an environment capable of meeting or exceeding controlled access protection as defined in the State of Arizona Statewide Standard P800-S885 Rev 1.0, IT Physical Security (10/20/2006), as amended. Contractor shall comply with and execute "Exhibit 1." ADOR's specific security requirements must be satisfied prior to migrating to the outsource environment. For example, encryption of network traffic will be required with minimal performance degradation.

ADOR will retain administration of data access security (granting of access, resetting of passwords, definition of password syntax rules, monitoring of access violation reports, etc.). ADOR's Information Security Officer will oversee and coordinate security issues relative to the Vendor and ADOR. However, the function of operating system security implementation and maintenance will be the responsibility of the Vendor.

3.2.10 Disaster Recovery

ADOR's mission-critical applications require varying restoration periods, from 24 to 72 hours, as defined in Section C.2.8. (Note: ADOR does not insist that disaster recovery facilities be located in Arizona. Only the primary site(s) performing the production outsource services must be located in Arizona.)

4.0 Service Levels

ADOR will determine at any time during the Contract the specific service level that shall be provided by the Contractor. "Hoteling" shall be provided with all service levels.

“Hoteling” includes the following: Provides the physical location for the servers to reside. There is very little service provided for the servers. Hoteling includes the basic provisions for power and cooling as well as some limited monitoring for hardware failures. Additionally, a “Smart Hands” provision is included with hoteling. “Smart Hands” provides for some quick fix maintenance for hardware failure. For more complex maintenance DOR staff and/or another vendor will require access to the facility.

The Contractor shall have the capability to provide any of the following three Service Levels: Silver, Gold, and Platinum.

Below is a list of service Categories and Service Levels the Contractor shall have available to be provided at an escalating level.

Category	Silver Service Level	Gold Service Level	Platinum Service Level
Server Availability	99.00%	99.50%	99.90%
Hardware/Software Requirements (Minimum)			
Hardware Maintenance Required	24x7x4	24x7x2	24x7x4
Vendor Supported Operating System	Yes	Yes	Yes
Hardware RAID	Yes	Yes	Yes
Redundant Power Supplies	No	Yes	Yes
Network Connections	3	3	4
Network Interface Cards	2	2	2
Clustered Hardware	No	No	Yes
Cluster Enabling Software	No	No	Required
SAN Storage	Optional	Optional	Required
Infrastructure Software			
Tripwire Auditing Software	Yes	Yes	Yes
Enterprise File System Backup Agent	Yes	Yes	Yes
Enterprise Hot Database Backup Agent	No	No	No
Enterprise OS Monitoring Agent	Yes	Yes	Yes

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Enterprise Application Monitoring Agent	No	Yes	Yes
Services			
Racking/Installation	Yes	Yes	Yes
Layer 2 Network Connectivity	Yes	Yes	Yes
Network Configuration	Yes	Yes	Yes
Application Failure Notification	No	Yes	Yes
System Administration	Yes	Yes	Yes
Backup/Recovery Services			
File System Backup/Recovery	Yes	Yes	Yes
Hot Database Backup/Recovery	No	No	No
Monitoring			
Hardware Monitoring	Yes	Yes	Yes
Up/Down Monitoring	Yes	Yes	Yes
Operating System Monitoring	Yes	Yes	Yes
Application Monitoring			
Process/Log Monitoring	2 processes or logs	Yes	Yes
Application Monitoring via Monitoring Software	No	Yes	Yes
OS Capacity Planning			
Reporting	Yes	Yes	Yes
Capacity Planning Recommendations	No	Yes	Yes
Performance Tuning			
Reactive	2 times per year	Yes	Yes
Proactive	No	Yes	Yes
Other Services			

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(i)Structure Center Remote Hands (per month)			
Windows/Unix (per server)	NA	NA	NA
VMS (per server)	NA	NA	NA
Manual Daily Media Swapping and Handling	No	No	No

APPENDIX A Server & Equipment Inventory

The table below presents a list of ADOR production servers and supporting equipment that are currently in-scope for this RFP. The details provided represent the state of the ADOR production environment at the time of this solicitation and may not be the environment that is finally outsourced. The Contractor should anticipate the number of servers may change.

Table 2: Existing Servers.

#	Vendor	Server Model	Memory in Gigabytes	Operating System	Approximate Purchase Date	NICs (# - Speed)	Processors (# - Speed)	Total HDD Capacity	Physical Location
1	HP	580	4.0 GB	W2K Adv SP4	9/20/00	2 - 100M	4-700M	36G	DOR Main Data Center
2	HP	380 G3	2.5 GB	2003 Std. SP1	9/24/03	2 -1G	2-2.8G	72G	DOR Main Data Center
3	HP	380 G3	2.5 GB	2003 Std. SP1	9/24/03	2 -1G	2-2.8G	104G	DOR Main Data Center
4	HP	380 G4	6.0 GB	2003 Ent. SP1	9/1/05	2 -1G	2-3.4G	840G	DOR Main Data Center
5	HP	580 G2	8.25 GB	2003 Ent. SP1	9/1/05	2 -1G	4-3.0G	1144G	DOR Main Data Center
6	HP	380 G4	6.25 GB	2003 Ent. SP1	9/1/05	2 -1G	2-3.4G	734G	DOR Main Data Center
7	Compaq	ML530	896mb	2003 Std. SP1	8/1/00	2 -1G	1-800M	35G	DOR Main Data Center
8	HP	560 G1	4.0 GB	2003 Ent SP1	9/1/05	2 -1G	4-3.0G	572G	DOR Main Data Center
9	HP	380 G4	4.0 GB	2003 Std. SP1	8/14/06	2 -1G	2-3.8G	315G	DOR Main Data Center
10	HP	380 G4	4.0GB	2003 r2 Ent.	9/1/06	2 -1G	2-3.8G	69G	DOR Main Data Center
11	HP	380 G4	4.0GB	2003 r2 Ent.	9/1/06	2 -1G	2 - 3.8G	70G	DOR Main Data Center
12	HP	380 G3	4.5 GB	2003 Ent. SP1	9/24/03	2 -1G	2-2.8G	87G	DOR Main Data Center
13	EMC	Celerra	4.0GB	Linux	7/1/06	5-1G	2-1.2G	5000G	DOR Main Data Center
14	HP	380 G4	4.0 GB	2003 Std SP1	9/1/05	2 -1G	2-3.8G	152G	DOR Main Data Center
15	HP	380 G3	4.0 GB	2003 Std SP1	9/24/03	2 -1G	2-2.8G	313G	DOR Main Data Center
16	HP	380 G4	4.0 GB	2003 Std SP1	9/1/05	2 -1G	2-3.8G	500G	DOR Main Data Center
17	HP	380 G4	4.0 GB	2003 Std SP1	9/1/05	2 -1G	2-3.8G	490G	DOR Main Data Center
18	HP	380 G4	4.0 GB	2003 Std SP1	9/1/06	2 -1G	2-3.8G	500G	DOR Main Data Center
19	HP	380 G4	4.0 GB	2003 Std SP1	9/1/06	2 -1G	2-3.8G	500G	DOR Main Data Center
20	HP	380 G4	4.0 GB	2003 Std SP1	9/1/06	2 -1G	2-3.8G	314G	DOR Main Data Center
21	HP	380 G2	2.25 GB	2003 Std. SP1	9/1/06	2 -1G	2-1.4G	69G	DOR Main Data Center
22	HP	380 G3	4.0 GB	2003 Ent SP1	9/24/03	2 -1G	2-2.8G	18G	DOR Main Data Center
23	HP	380 G4	4.0 GB	2003 Std. SP1	6/19/06	2 -1G	2-3.8G	490G	DOR Main Data Center
24	HP	380 G3	4.0 GB	2003 Ent. SP1	9/1/06	2 -1G	2-2.8G	45G	DOR Main Data Center
25	HP	1850R	1.0 GB	W2K Std SP4	11/17/99	1 - 1G	2-450M	26G	DOR Main Data Center
26	HP	7000	1.0 GB	NT4	10/15/00	2 -1G	2-400M	156G	DOR Main Data Center
27	HP	580	4.5 GB	W2K Adv SP4	9/29/01	2 - 100M	4-700M	280G	DOR Main Data Center
28	HP	580	4.5 GB	2003 Ent. SP1	12/31/01	2 - 100M	4-700M	420G	DOR Main Data Center
29	HP	580	3.0 GB	W2K Adv SP4	1/22/03	2 -1G	4-700M	140G	DOR Main Data Center
30	HP	580 G3	4.0 GB	2003 Std SP1	6/21/05	2 -1G	4-3.0G	900G	DOR Main Data Center

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#	Vendor	Server Model	Memory in Gigabytes	Operating System	Approximate Purchase Date	NICs (# - Speed)	Processors (# - Speed)	Total HDD Capacity	Physical Location
31	HP	380 G4	4.0 GB	2003 Std SP1	6/10/05	2 -1G	2-3.6G	1431G	DOR Main Data Center
32	HP	580 G3	4.0 GB	2003 Std SP1	6/21/05	2 -1G	4-3.0G	858G	DOR Main Data Center
33	HP	380 G4	4.0 GB	2003 Std. SP1	4/14/06	2 -1G	2-3.8G	630G	DOR Main Data Center
34	HP	380 G3	3.0 GB	2003 Std SP1	4/29/03	2 -1G	2-2.8G	348G	DOR Main Data Center
35	HP	380 G2	2.25 GB	W2K Std SP4	5/17/02	2 -1G	2-1.4G	349G	DOR Main Data Center
36	HP	380 G3	2.5 GB	2003 Std SP1	9/24/03	2 -1G	2-2.8G	686G	DOR Main Data Center
37	HP	380 G4	4.0GB	2003 Std. SP1	3/7/07	2 -1G	2-3.8G	128G	DOR Main Data Center
38	HP	380 G2	4.0 GB	W2K Std SP4	5/17/02	2 -1G	2-1.4G	208G	DOR Main Data Center
39	HP	380 G3	1.5 GB	2003 Std.SP1	9/24/03	2 -1G	1-2.8G	208G	DOR Main Data Center
40	HP	380 G3	4.5 GB	2003 Std SP1	9/24/03	2 -1G	2-2.8G	104G	DOR Main Data Center
41	HP	580 G2	4.0 GB	2003 Ent. SP1	9/25/03	2 -1G	4-1.4G	352G	DOR Main Data Center
42	SUN	Sunfire V880	32.8 GB	Solaris 9	9/24/03	1 - 10M; 3 - 100M; 3 -1G	4-900M	432G	DOR Main Data Center
43	HP	ES45 28	32 GB	Alpha	9/24/03	2 - 100M	4-1.25G	500G	DOR Main Data Center
44	HP	380 G3	4.5 GB	W2K Adv SP4	12/10/02	2 -1G	2-2.8G	104G	DOR Main Data Center
45	HP	380 G3	4.5 GB	2003 Std.SP1	1/22/03	2 -1G	2-2.8G	104G	DOR Main Data Center
46	HP	380 G3	4.5 GB	2003 Ent. SP1	1/22/03	2 -1G	2-2.8G	104G	DOR Main Data Center
47	HP	380 G3	4.5 GB	2003 Ent. SP1	1/22/03	2 -1G	2-2.8G	104G	DOR Main Data Center
48	HP	380 G3	1.0 GB	2003 Std.SP1	7/17/03	2 -1G	1-2.8G	139G	DOR Main Data Center
49	HP	380 G3	4.5 GB	2003 Ent. SP1	9/24/03	2 -1G	2-2.8G	104G	DOR Main Data Center
50	HP	380 G3	4.5 GB	2003 Ent. SP1	9/24/03	1 -1G	2-2.8G	104G	DOR Main Data Center
51	HP	380 G3	4.0 GB	2003 Ent. SP1	9/22/04	1 -1G	2-3.06G	104G	DOR Main Data Center
52	HP	380 G4	4.0 GB	2003 Ent. SP1	9/22/04	2 -1G	2 - 3.8G	630G	DOR Main Data Center
53	HP	380 G3	3.0 GB	2003 Ent SP1	9/24/03	2 -1G	2-2.8G	278G	DOR Main Data Center
54	HP	580 G2	4.0 GB	2003 Ent. SP1	9/27/04	2 -1G	4-2.5G	139G	DOR Main Data Center
55	HP	380 G3	4.5 GB	2003 Std. SP1	1/22/03	2 -1G	2-2.8G	208G	DOR Main Data Center
56	HP	380 G3	2.5 GB	2003 Std. SP1	4/10/03	2 -1G	2-2.8G	208G	DOR Main Data Center
57	HP	380 G2	2.25 GB	2003 Std. SP1	4/10/03	2 -1G	2-1.4G	174G	DOR Main Data Center
58	HP	380 G3	2.5 GB	2003 Std. SP1	4/10/03	1 -1G	2-2.8G	209G	DOR Main Data Center
59	HP	380 G3	4.0 GB	2003 Std. SP1	4/10/03	2 -1G	2-2.8G	350G	DOR Main Data Center
60	Compaq	5500	512MB	2003 Std.SP1	5/17/02	3 - 100M	6 - 450M	91G	DOR Main Data Center
61	HP	380 G2	6.1 GB	2003 Std.SP1	5/17/02	2 - 100M	2-1.39G	170G	DOR Main Data Center
62	HP	380 G3	3.0 GB	2003 Std.SP1	4/30/03	2 - 1G	4-2.8G	68G	DOR Main Data Center
63	Compaq	3000	1.5 GB	2003 Std.SP1	9/1/00	1 - 100M	2-450M	50G	DOR Main Data Center
64	HP	380 G3	3.5 GB	2003 Std.SP1	9/28/04	4 - 100M	2-2.8G	108G	AT&T Data Center
65	HP	380 G3	3.5 GB	2003 Std.SP1	9/28/04	4 - 100M	2-2.8G	108G	AT&T Data Center
66	HP	380 G3	4.5 GB	2003 Ent. SP1	9/28/04	4 - 100M	2-2.8G	108G	AT&T Data Center
67	HP	380 G3	4.5 GB	2003 Ent. SP1	9/28/04	4 - 100M	2-2.8G	108G	AT&T Data Center
68	HP	380 G3	4.0 GB	2003 Std.SP1	7/15/04	4 - 100M	2-2.8G	816G	AT&T Data Center

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#	Vendor	Server Model	Memory in Gigabytes	Operating System	Approximate Purchase Date	NICs (# - Speed)	Processors (# - Speed)	Total HDD Capacity	Physical Location
69	HP	380 G3	4.0 GB	2003 Std.SP1	8/3/04	4 - 100M	2-2.8G	108G	AT&T Data Center
70	SUN	Sunfire V880	32.8 GB	Solaris 9	9/24/03	1 - 10; 3 - 100; 3 -1000	4-900M	432G	AT&T Data Center
71	SUN	Sunfire V880	32.8 GB	Solaris 9	9/24/03	1 - 10; 3 - 100; 3 -1000	4-900M	432G	AT&T Data Center
72	SUN	Sunfire V890	32.8 GB	Solaris 9	9/1/06	4 -1G	4-1.5G	876G	AT&T Data Center
73	SUN	Sunfire V890	32.8 GB	Solaris 9	9/1/06	4 -1G	4-1.5G	876G	AT&T Data Center
74	HP	380 G3	4.0 GB	2003 Std.SP1	7/17/03	4 - 100M	2-2.8G	216G	AT&T Data Center
75	HP	380 G3	4.0 GB	2003 Std.SP1	9/24/03	4 - 100M	2-2.8G	216G	AT&T Data Center
76	HP	380 G3	4.0 GB	2003 Std.SP1	9/24/03	4 - 100M	2-2.8G	216G	AT&T Data Center
77	HP	380 G3	3.5 GB	2003 Std.SP1	9/24/03	4 - 100M	2-2.8G	108G	AT&T Data Center
78	HP	380 G3	3.5 GB	2003 Std.SP1	9/24/03	4 - 100M	2-2.8G	108G	AT&T Data Center
79	HP	580 G3	3.75 GB	2003 Ent. SP1	9/24/03	4 - 100M	4-2.5G	108G	AT&T Data Center
80	HP	580 G3	3.75 GB	2003 Ent. SP1	9/24/03	4 - 100M	4-2.5G	108G	AT&T Data Center
81	HP	380 G3	3.5 GB	2003 Std.SP1	9/24/03	5 - 100M	2-2.8G	108G	AT&T Data Center
82	HP	380 G3	3.5 GB	2003 Std.SP1	9/24/03	5 - 100M	2-2.8G	108G	AT&T Data Center
83	HP	380 G3	3.5 GB	2003 Std.SP1	9/24/03	5 - 100M	2-2.8G	108G	AT&T Data Center
84	HP	380 G3	2.5 GB	2003 Std.SP1	9/24/03	2 - 1G	2-2.8G	104G	AT&T Data Center
85	HP	380 G3	3.5 GB	2003 Std.SP1	9/24/03	4 - 100M	2-2.8G	108G	AT&T Data Center
86	HP	380 G3	3.5 GB	2003 Std.SP1	9/28/04	4 - 100M	2-2.8G	108G	AT&T Data Center
87	HP	380 G5	8.0 GB	2003 Ent. SP1	9/24/03	4 - 100M	2-5.1G	108G	AT&T Data Center
88	HP	380 G5	8.0 GB	2003 Ent. SP1	9/24/03	4 - 100M	2-5.1G	108G	AT&T Data Center
89	HP	380 G5	8.0 GB	2003 Ent. SP1	9/24/03	4 - 100M	2-5.1G	108G	AT&T Data Center
90	HP	D530	1.0 GB	XP	9/1/2006	1 - 1G	1-2.6G	38G	AT&T Data Center
91	HP	D530	1.0 GB	2003 Std	9/1/2006	1 - 1G	1-2.6G	38G	AT&T Data Center

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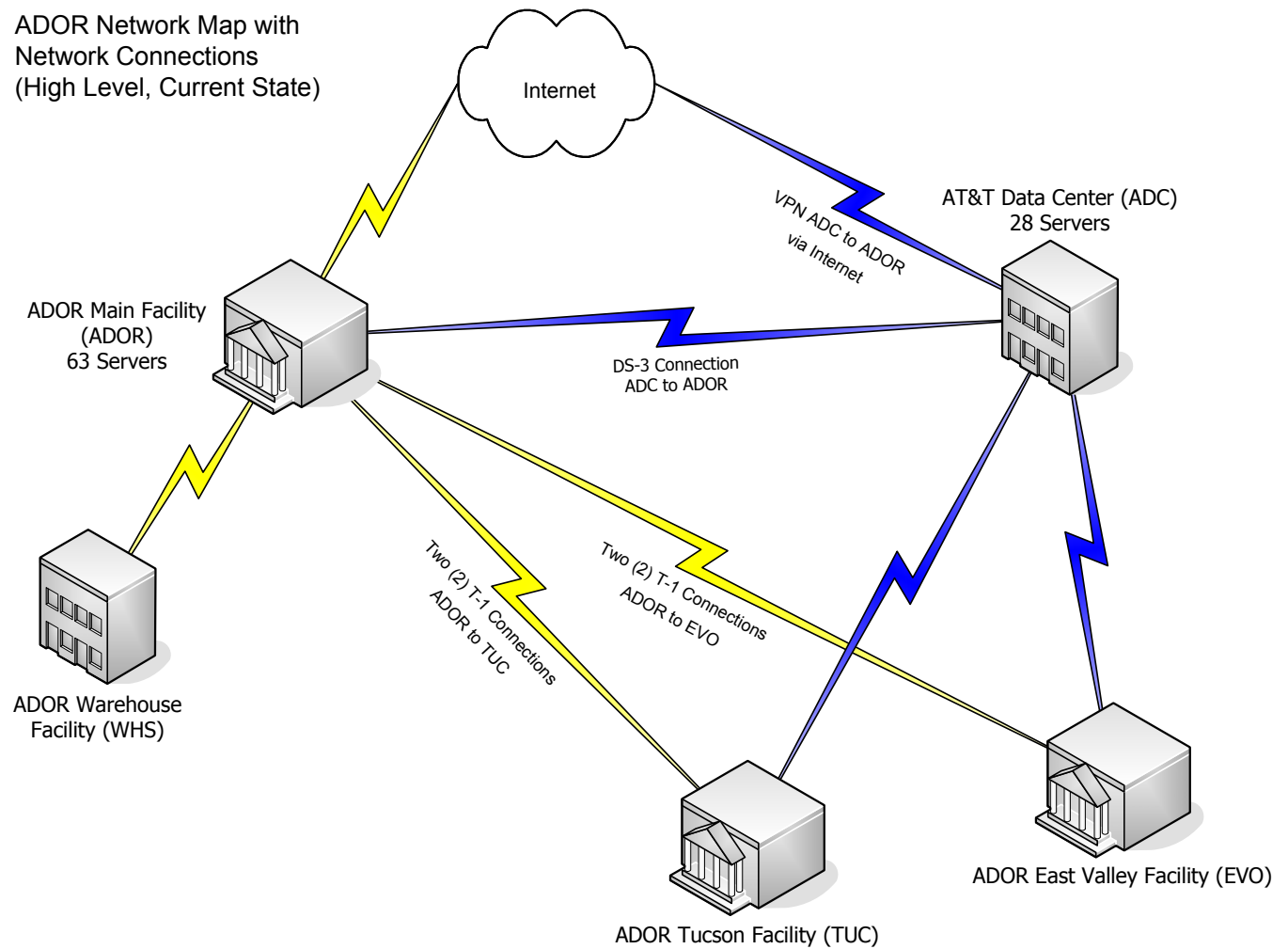
Table 3: Other Equipment (Storage, etc.).

		Model		Total Installed storage	Purchase Date	Location
1	Cisco	9509	Fiber Channel Switch	N/A	9/2003	AT&T Data Center
2	Cisco	9509	Fiber Channel Switch	N/A	9/2003	DOR Data Center
3	Cisco	9509	Fiber Channel Switch	N/A	9/2006	DOR Data Center
4	EMC	CX600	Storage Area Network	3200 GB	9/2003	AT&T Data Center
5	EMC	CX600	Storage Area Network	4962.7 GB	9/2003	DOR Data Center
6	EMC	CX3-40	Storage Area Network	15290.8 GB	9/2006	DOR Data Center
7	EMC	CX700	Backup Storage/Virtual Tape	26700 GB	9/2005	DOR Data Center
8	ADIC	500	Backup Storage Tape Drive System	3 Drives, 82 slots, 400/800 GB	9/2005	DOR Data Center

APPENDIX B Current State Network Map

The following high-level network map provides the existing ADOR network bandwidth and network configurations currently in use. The Contractor shall meet or exceed these network bandwidth specifications.

ADOR Network Map with
Network Connections
(High Level, Current State)



APPENDIX C Service Level Agreement (SLA) Requirements

Below is a list of *minimum standards* for SLAs the Contractor is required to meet or may exceed, as appropriate. SLAs are provided for hardware, operating system software, and network services.

C.1 Vendor Hosting Responsibilities

C.1.1 Data Center Services

The Contractor shall provide the following standard data center services: maintenance and monitoring of systems and operations. As per the monitoring processes, the Contractor shall notify ADOR identified points of contacts upon any issue or adverse situation. The Contractor's maintenance process must include an appropriate backup practice. The Contractor shall apply hardware and operating system updates with notification to ADOR.

C.1.2 Reporting

The Contractor shall provide, at a minimum, the following reports:

- (1) On a monthly basis, Vendor will prepare a report describing System and Service updates. The report should contain the following areas:

MANAGEMENT SUMMARY

ISSUES/SUMMARY

SERVICES REPORT

SYSTEMS SUPPORT

BACKUP STATISTICS

SYSTEM AVAILABILITY

AVAILABILITY STATISTICS

OUTAGE REPORT

- (2) On a weekly basis, the Contractor shall prepare a report describing general system-level metrics (system uptime, CPU load, network traffic, etc.).
- (3) On a monthly basis, in concurrence with the report describing System and Service updates, the Contractor shall have a Service Review Meeting/teleconference with ADOR IT management and staff to discuss service delivery, project status, and account issues.
- (4) On a daily basis, Contractor is to report on any unscheduled outages related to systems, networks, or other items within the scope of this RFP.

C.1.3 Change Implementation

Contractor will apply all change requests submitted with the appropriate lead times and that have been approved by all involved parties.

C.2 Service Measurements

C.2.1 Performance Objective Definitions

This section defines ADOR performance objectives in terms of the quality and reliability of service provided. The Contractor shall ensure that the services provided will consistently meet the performance objectives, **provided actual resource usage is within acceptable levels and circumstances are not beyond the Vendor's control as determined by ADOR**. Each performance indicator is defined using the following terms and criteria:

Objective	The business reason for measuring the performance indicator.
------------------	--

Definition	Identifies and describes terms and concepts relating to the objective and performance indicators.
Performance Indicator	Defines the specific metric to be used in measuring the performance.
Service Goal	The service levels set for which the Vendor has primary responsibility to meet or exceed. Remedies for resolving difficulties in attaining these goals are defined in this Service Level Agreement.
Target	The desired level of performance in which both ADOR and the Vendor share responsibility. If difficulties arise in consistently reaching a service target, remedies will be jointly investigated to satisfy ADOR standards. Vendor will retain responsibility for reporting actual performance against defined service targets
Period	The elapsed time over which performance is validated against the Service Objectives, generally either weekly or monthly.
Benchmark	Information system activity that illustrates the volume of service provided at the time the Service Objectives were approved. If ADOR system activity volume significantly grows beyond Benchmark levels, Service Level Objectives contained in this agreement may not be attainable. Contractor shall work with ADOR to maintain these Service Objectives, including Contractor offering alternative delivery solutions to ADOR for review and approval. All benchmark statistics are based upon the most recent data.
Resource Range	Sets limits on the conditions under which the Service Objectives can be applied. ADOR realizes that it is not possible to define limits on every factor which may impact the ability to meet performance objectives. It is expected that in any case where an objective is missed, additional effort may be required to determine cause and applicability of the stated remedy. Even if the range is exceeded, the Contractor shall meet the Service Objectives.
Report	A description of the report the Contractor will prepare documenting service performance against agreed upon Service Goals and targets. Report formats are subject to change based on updates to tools, ADOR's system environment, and changes to this Service Level Agreement.
Remedy	Describes the process that will be followed in the event Service Objectives are not met.
C.2.2 System Availability Objective:	To ensure that the critical operating systems (Windows, Solaris and LINUX) and hardware that supports them are available to users during the scheduled ADOR work hours.
Definition:	System availability is defined in terms of the accessibility of the operating system. Operating systems are considered available if hardware and operating systems are active and functional. Availability is expected for both prime and non-prime operating hours and as requested for weekend and holidays. ADOR work hours are defined as follows:

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Prime Operating:	06:00 to 23:59 MST	Monday – Friday
Non-Prime Operating:	00:00 to 05:59 MST	Monday – Friday
Weekend:	As requested As requested	Saturday Sunday
Holidays	As requested	

Performance Indicator:

System availability will be tracked at both the device and operating system level.

The percent of scheduled time each specified system is available will be tracked as the measure of performance.

System availability is calculated as follows:

$$\frac{\text{Scheduled Hours} - \text{Unscheduled Outages Hours}}{\text{Scheduled Hours}} \times 100$$

All outages are considered unscheduled except:

- Mutually agreed upon and planned downtime
- Downtime caused by actions or omissions of ADOR
- Downtime caused by a disaster
- Weekend and Holiday access unless previously requested

Windows/Solaris/LINUX: Availability is calculated as the average availability of Windows, Solaris, or LINUX during the scheduled hours of operation.

System Software/Hardware: Availability is calculated as the average availability of all systems software or hardware during the scheduled hours of operation.

Service Goal:

Windows/Solaris/LINUX: 99.9% cumulative availability each month.

System Software/Hardware: 99.9% availability each month.

Report:

All unscheduled outages will be communicated in the monthly Service Reporting package. This report should document the duration and time of outages, as well as the total number of outages for the month.

Remedy:

A remedy may be initiated under the following circumstances:

Windows/Solaris/LINUX: More than one 45-minute outage occurs in one day or more than four unscheduled outages occur in one month.

System Software/Hardware: Availability falls below 98% for one month or below 99.5% for 3 consecutive months.

If this Service Goal is missed for any two consecutive months, or

three months in any 12-month period, the root cause of the problem will be thoroughly investigated and fixed by Contractor at Contractor's cost. An action plan will be prepared to prevent reoccurrence within five business days of the incident, unless an alternate date is mutually agreed upon. If the Service Goal is missed for three consecutive months, the issue will be escalated to the Contractor's designated Delivery Executive and the appropriate ADOR executive.

C.2.3 Network Services

- Objective:** To ensure that the network services supporting critical operating systems and hardware are secure and available to users.
- Definition:** Network Availability is the average monthly availability of all sites in the network. Networks are considered available if routes are available to exchange data between Vendor-managed routers and switches and any ADOR-managed border routers.
- Availability is expected for both prime and non-prime operating hours and as requested for weekend and holidays. See Section C.2.2 "System Availability" section for details on ADOR work hours.
- Performance Indicator:** Network availability is calculated from the total number of minutes in a billing month during which core network routes are available to exchange data between all Vendor-managed routers and switches and any ADOR-managed border routers, divided by the total number of minutes in that month (Network Availability time).
- Service Goal:** Network services 99.9% availability each month
- Report:** All unscheduled outages will be communicated in the monthly Service Reporting package. This report should document the duration and time of outages, as well as the total number of outages for the month.
- Remedy:** **If this Service Goal is missed for any two consecutive months, or three months in any 12-month period, the root cause of the problem will be thoroughly investigated and fixed by the Contractor at the Contractor's cost.** An action plan will be prepared to prevent reoccurrence within five business days of the incident, unless an alternate date is mutually agreed upon. If the Service Goal is missed for three consecutive months, the issue will be escalated to the Vendor's designated Delivery Executive and the appropriate ADOR executive.

C.2.4 Technical Support Services

- Objective:** To provide ADOR with support personnel required to ensure a productive processing environment.
- Definition:** Support services requirements have been defined for the following areas:
- Operations Support
 - Help Desk Support
 - Systems Software Support
- Method:** ADOR users will monitor availability and responsiveness to incidents and requests through Vendor's automated problem tracking system and report any lack of support for a particular area to ADOR's point of contact.

	Service Goals:	Operations Support:	Available 24 hours/day, 5 days/week. ADOR expects and the Contractor shall provide no more than 15-minute acknowledgement of newly reported issues. Data restores will be completed as soon as possible following a request from an appropriate ADOR representative. If problems arise, Vendor must contact the requester.
		Help Desk Support:	Available 24 hours/day, 5 days/week with 15-minute Vendor-to-ADOR problem/issue acknowledgement (not resolution).
		Systems Software Support:	Available to schedule up to 80 hours/month for modifications or enhancements during prime work hours (8 am - 5 pm). Other support available after-hours via pager. All systems will be supported.
		Windows:	Available to schedule up to 80 hours/month for modifications or enhancements during prime work hours (8 am - 5 pm). Other support available after-hours via pager. All systems will be supported.
		Solaris:	Available to schedule up to 80 hours/month for modifications or enhancements during prime work hours (8 am - 5 pm). Other support available after-hours via pager. All systems will be supported.
	Period:	Daily, as required.	
C.2.5	Service Reporting		
	Objective:	To provide ADOR with regular reports documenting their processing usage and performance.	
	Definition:	Service reporting is the process of preparing weekly or monthly reports that document service level performance, project status, and account issues.	
	Method:	On a monthly basis, a Service Review Meeting is held to discuss service delivery, project status, and account issues.	
C.2.6	Quality of Change Management		
	Objective:	To ensure change requests are handled in an efficient and effective manner.	
	Definition:	A change is any alteration, modification, cancellation, or installation that will ultimately alter or affect the ADOR production environment. Change Management is the process that protects the environment from changes that are potentially disruptive or have unacceptable risk associated with them. It is an ongoing process of communicating, coordinating, scheduling, monitoring, and controlling changes to the environment.	
	Normal Changes:	Changes will be generated by ADOR personnel. Common changes include repairing a known problem (not critical to production processing) and installing new technology upgrades (patches, service packs).	
	Emergency	Emergency Changes can be generated by ADOR or Vendor personnel. An emergency change is required when the production	

Changes:	environment is in jeopardy of failure and will have an adverse effect on ADOR's processing. Special approvals will be required to implement an emergency change outside the normal maintenance window.
Requesting Changes:	<p>Vendor will implement normal ADOR change requests within a two-week window in order to provide lead time* for scheduling into the production environment.</p> <p>*Lead time is defined as the amount of time Vendor should need to test and research the impact of a proposed change, obtain software or hardware from a Vendor, etc.</p>
Performance Indicator:	<p>Successful completion of implementing changes will be tracked as a measure of performance.</p> <p>Implemented changes will be calculated as follows:</p> $\frac{\text{Number of Changes**} - \text{Changes Completed with Defects}}{\text{Number of Changes}} \times 100$ <p>**The number of emergency changes requested will be considered when calculating this number.</p>
Service Goal:	<p>All change requests will be processed through the DOR change Management Board. No change will be initiated by the vendor without prior ADOR approval. Change requests will be processed utilizing the following method:</p> <p>Standard Change: A request generated by the vendor or ADOR will be submitted to the Change Control Board for approval no less than two (2) weeks prior to the scheduled change. The board will review the change request. Upon approval the request will be scheduled and a copy of the approved change request will be provided to the vendor.</p> <p>Emergency Change: An emergency change is a change designed to repair an existing problem or mitigate a risk which left for the normal process could result in further damage or a potential outage. For an emergency change the vendor will contact the ODR point of contact and request authorization to proceed. A change request will be submitted to the board for review but this change will be conducted outside of the normal maintenance time frame.</p> <p>Ex Post Facto: An Ex Post Facto change is a change where an immediate repair needs to be conducted. The vendor will contact the point of contact for ADOR and explain the reason for the change. In this instance, and only this instance, will a change be conducted prior to a change record being presented to the board for review. The vendor will be allowed to proceed with the change with only telephonic approval. A change record will be produced after the change is complete to document the incident. An Ex Post Facto change is a very rare change. It is intended to repair hardware failure which has caused an outage and requires immediate action to resolve. The vendor will be required to document who authorized the change and the results of the repair.</p> <p>The vendor shall attend, either in person or via telephone, the weekly ADOR change management meeting.</p>

C.2.7 Incident Management

Objective: To ensure that all incidents are acknowledged and resolved in a timely, effective manner.

Definition: An incident is any unanticipated or unplanned event that deviates from standard activity or expectations. Incidents may also include requests for enhancements, support, or actions, which require the attention of systems personnel. Based upon scope and expected duration, an incident may result in creation of a change request (see C.2.6 Quality of Change Management). All incidents will be classified by ADOR-stated priority, following the guidelines below:

Priority	Scheme
1	System down; many client users are unable to process transactions or access information critical to daily processing.
2	Critical component down; one or more client users are unable to process transactions, and no circumvention is available.
3	Client user is impacted, but circumvention is available or work can continue in an impaired manner.
4	Special request (includes change requests and requests for assistance or information); no problems are assigned this priority.

Performance Indicators: Performance against Resolution Time Goals will be tracked and reported as a measure of performance.

Service Goals:	Incident Priority	Resolution Goals	Report Period
	Priority 1	< 2 hours	Monthly
	Priority 2	< 2 hours	Monthly
	Priority 3	< 24 hours	Monthly
	Priority 4	< 72 hours	Monthly

Report: Contractor will be responsible for escalation to the ADOR support team of all Priority 1 incidents. The total number of incidents opened and resolved each month relating to Vendor services will be communicated in the monthly reports. The trend in number of incidents opened each month should be monitored and reported to identify opportunities for continuous improvement activities.

Remedy: **If the service goal for resolving incidents within this service level is missed for two consecutive months, the root cause of the problem will be thoroughly investigated and fixed by the Contractor at the Contractor's expense.** An action plan will be prepared to prevent reoccurrence within five business days of the incident, unless an alternate date is mutually agreed upon. If the Service Goal is missed for three consecutive months, the issue will be escalated to the Vendor's designated Delivery Executive and the appropriate ADOR executive.

C.2.8 Disaster Recovery Planning

Objective: To ensure that required system components, communication, and data can be recreated at an alternate location in the unlikely event that the Vendor hosting service is incapable of providing service.

Definition:	<p>Disaster recovery planning is the process by which the Vendor will ensure that the specified ADOR system components and data could be rebuilt following a disaster situation.</p> <p>Disaster recovery plans and procedures will be reviewed by ADOR semi-annually and a formal test with the Vendor and ADOR will be conducted annually, on or about the contract anniversary.</p>
Performance Indicator:	<p>The time elapsed between the reporting of the disaster and the subsequent time at which ADOR can access the defined system components.</p>
Service Goals:	<p>Should an unanticipated interruption of ADOR's data processing capability at the Contractor occur, ADOR will determine after conferring with the Contractor whether a disaster should be declared within six hours following such interruption. Once a disaster is declared, the Contractor shall restore ADOR's communication, system, and production server environments sufficient to operate the critical systems between 24 and 72 hours following the declaration of such disaster, subject to the availability or access to the disaster recovery site. System availability restoration periods for each tier of production server will be (re)established by ADOR on a yearly basis. The following specifications will be utilized for performance measurements:</p> <ul style="list-style-type: none">▪ Tier 1 – 24 hour restoration period▪ Tier 2 – 72 hour restoration period <p>In order to be adequately prepared for a disaster, the Contractor will provide ADOR with Disaster Recovery testing on an annual basis, including testing of specific Contractor components. Compliance with this testing can be accomplished through the Contractor providing a SAS-70 Type II showing specific Disaster Recovery Control testing. The Contractor will prepare a summary of test results and will present them to the ADOR management team for their review. Issues identified during a test should be subsequently re-tested.</p> <p>The Contractor also will make available its corporate Disaster Recovery Plan to ADOR for review.</p>
Resource Range:	<p>This performance indicator is valid providing ADOR participates in the disaster recovery planning process as previously defined.</p>
Report:	<p>N/A</p>
Remedy:	<p>N/A</p>

C.3 Reporting Process

The Vendor shall at least monthly deliver and present the base set of reports to the ADOR's Chief Information Officer (CIO) and other ADOR staff as directed by ADOR. The purpose of this meeting will be to discuss the monthly billing report and monthly Service Report metrics (as outlined in this chapter).

- 1 ***Definition of Terms.*** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
- 1.1 ***“Attachment”*** means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2 ***“Contract”*** means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3 ***“Contract Amendment”*** means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4 ***“Contractor”*** means any person who has a Contract with the State.
- 1.5 ***“Days”*** means calendar days unless otherwise specified.
- 1.6 ***“Exhibit”*** means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 ***“Gratuity”*** means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8 ***“Materials”*** means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9 ***“Procurement Officer”*** means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10 ***“Services”*** means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11 ***“Subcontract”*** means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12 ***“State”*** means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13 ***“State Fiscal Year”*** means the period beginning with July 1 and ending June 30,

2 Contract Interpretation

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;
 - 2.3.6 Exhibits;
 - 2.3.7 Documents referenced or included in the Solicitation.
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parol Evidence . This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract administration and operation.

- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be

subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property
Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency,

department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

4 Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
 - 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
 - 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 - 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
 - 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal

year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1 Accept a decrease in price offered by the, contractor
 - 4.5.2 Cancel the Contract
 - 4.5.3 Cancel the contract and re-solicit the requirements.

5 Contract changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
- 6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and

commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

- 6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnatee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnatee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."
- 6.3 Indemnification -Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- 6.4 Force Majeure.
- 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 6.4.2 Force Majeure shall not include the following occurrences:
- 6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7 Warranties

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5 Year 2000.

7.5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract,

the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.

- 7.5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- 7.6 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
- 7.7 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.71 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.7.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8 State's Contractual Remedies

- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating,

negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default.

9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data

and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

- 9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
- 10 Contract Claims.** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.
- 11 Arbitration.** The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).
- 12 Comments Welcome .** The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

1 DEFINITION OF TERMS

The terms listed below are defined as follows:

- 1.1 **“Key Personnel”** means persons whose experience and knowledge is professional in nature as opposed to clerical. Professional work is that which is predominantly intellectual and varied in character (as opposed to routine, manual, mechanical or physical) and involves the consistent exercise of discretion and judgment in the theoretical principles and techniques of a recognized field of science or learning.
- 1.2 **“May”** means something is permissive.
- 1.3 **“Must”** denotes the imperative.
- 1.4 **“Outages”** means the operating systems to include the hardware are not functional or are not providing services required by the Contract.
- 1.5 **“Shall”** means something is mandatory.
- 1.6 **“Should”** denotes a preference.

2 CONTRACT TERM

- 2.1 The Contract term is for Three (3) years from the date the State's Procurement Officer executes the Acceptance of Offer unless another date is specified and Contract shall continue thereafter, unless terminated, canceled or extended as otherwise provided herein.

3 CONTRACT TERM EXTENSION

The Contract shall not bind nor purport to bind the State for any contractual commitment in excess of the original Contract period. The State shall have the right, at its sole option and as deemed to be in the best interest of the State, to renew or extend the Contract, for an additional two (2) years or any portion thereof.

4 CONTRACT TYPE

Firm, fixed price.

5 FEDERAL IMMIGRATION AND NATIONALITY ACT

- 5.1 By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term

of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV.

- 5.2 The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

6 INSURANCE REQUIREMENTS

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability - Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- General Aggregate - \$2,000,000
- Products Completed Operations Aggregate - \$1,000,000
- Personal and Advertising Injury - \$1,000,000
- Blanket Contractual Liability Written and Oral - \$1,000,000
- Fire Legal Liability - \$50,000
- Each Occurrence - \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: 'The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor'.

b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers,

officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) - \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: 'The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor'.

3. Worker's Compensation and Employers' Liability

Workers' Compensation - Statutory

Employers' Liability

- Each Accident - \$500,000

- Disease Each Employee - \$500,000

- Disease Policy Limit - \$1,000,000

a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.

3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to Arizona Department of Revenue (ADOR), Chief Procurement Officer, 1600 W. Monroe, Phoenix, Arizona 85007 and shall be sent by certified mail, return receipt requested.

D. ACCEPTABILITY OF INSURERS: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an 'A.M. Best' rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to ADOR, Chief Procurement Officer, 1600 W. Monroe Phoenix, Arizona 85007. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.

F.SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

H. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

7

INVOICE

Contractor shall submit an invoice after the equipment has been transferred, installed, fully operational, and has passed acceptance testing as determined by ADOR. After equipment transfer, Contractor shall submit monthly invoices

for payment in accordance with the Price Schedule, price per server, and Task Assignments. All invoices shall contain the contract number, Contractor's name, purchase order number, number of servers, price per server, total price, Contractor's name and address, and the name of the Contractor's representative to contact concerning billing questions. The Contractor may invoice for a partial month if a server is added or deleted, by prorating the per server price for the number of days the server was operational. All Task Assignment work shall include the date work was performed; description of the work performed; staff person(s) that performed the work, number of hours, hourly rate and total amount; and, grand totals for all hours and amounts.

8 KEY PERSONNEL

- 8.1 It is essential that the Contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed in the Contract. The Contractor must assign specific individuals, known as Key Personnel, to specific positions.
- 8.2 Once assigned to work under the Contract, Key Personnel shall not be removed or replaced without the prior written approval of the ADOR, except prior approval is not required when Key Personnel are replaced or removed due to voluntarily separation or termination for cause. Contractor shall not charge the ADOR for any costs associated with removing or replacing Key Personnel.
- 8.3 Contractor may add Key Personnel who will perform work under Task Assignments at any time with the approval of the ADOR Chief Procurement Officer. A request to add such Key Personnel shall include resume(s) or other similar information that gives the new Key Personnel's qualifications.

9 LIQUIDATED DAMAGES PAYABLE TO ADOR

- 9.1 It is agreed by ADOR and the Contractor that a failure to meet the Contract requirements will cause damage to the ADOR. In the event that such failure is attributable to the performance or lack of performance by the Contractor, the Contractor agrees to pay damages to the State. ADOR and the Contractor further agree that it may be impractical and difficult to ascertain and determine the actual damages sustained by ADOR. In the event of a delay or failure to perform, the Contractor agrees to pay ADOR, as and for liquidated damages, without proof of actual or specified loss, as specified below.
- 9.2 Liquidated damages shall not be imposed or assessed if unscheduled outages are the direct result of ADOR's actions or failure to act in accordance with its responsibilities in the Contract. Contractor shall advise the ADOR Chief Procurement Officer, in writing, within one (1) business day of Contractor identification of any circumstances attributable to ADOR that the Contractor feels may lead to failure to meet Contractual performance requirements. The

Contractor's notice does not relieve the Contractor from its obligation to perform until ADOR makes a determination regarding the merits of the circumstances.

9.3 The remedies of the State are not limited by the provision for liquidated damages. In addition to the liquidated damages given below, the State may elect to terminate the Contract in whole or in part and liquidated damages shall accrue until such time as the Contract requirements are met or the State is able to reasonably obtain performance of similar services. Contractor shall be liable for each and every type of liquidated damages that may be applicable. Liquidated damages shall be in addition to excess costs under the Uniform Terms and Conditions, Termination for Default section. Nothing in the "Liquidated Damages Payable to ADOR" section shall limit the State's right to recover such excess costs or any other remedy at law or equity, whether or not specified in this Contract.

9.4 In the event ADOR experiences an unplanned outage greater than eight (8) hours, Service Level Credits (SLC) in the form of Liquidated Damages will be calculated based on the actual productivity loss of 600 users at \$20 hourly, Monday through Friday. For example, if ADOR experiences a 9 hour outage (1 hour over the 8 hour threshold), the amount owed would be \$12,000. Every subsequent hour would be \$12,000 until resolution, except that the Contractor will not be liable for Liquidated Damages greater than the monthly Contract payment. Consecutive months of Liquidated Damages being imposed, or repetitive failure of unplanned outages are cause for the State to terminate the Contract for default in accordance with the Uniform Terms and Conditions, section 9, "Termination for Default."

10 NOTICES

In addition to the Uniform Terms and Conditions, Section 3.5, "Notices", the following shall apply: All notices to ADOR shall reference the contract identification number and, unless otherwise specified in the Contract, be sent to the following:

Arizona Department of Revenue
Administrative Services Division
ATTN: Chief Procurement Officer
1600 W. Monroe
Phoenix, AZ 85007

11 OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serves the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant backup

services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

12 TRANSITION

When the Contract Term ends or in the event the Contract is terminated with or without cause, the Contractor, whenever determined appropriate by the ADOR, shall assist the ADOR, or any entity ADOR designates, in the transition of services to other Contractors or the State. Such assistance and coordination shall include but not be limited to, the forwarding of Contract works, equipment, electronic files and other records as may be necessary and to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding records shall be borne by the Contractor. The Contractor must make provisions for continuing all performance under this Contract, to include management/administrative services until the transition of services is complete and all other requirements of this Contract are satisfied.

13 IT 508 COMPLIANCE

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. 41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

14 OWNERSHIP

All deliverables and/or other products of the contract (including but not limited to all software documentation, reports, records, summaries and other matter and materials prepared or developed by the contractor in performance of the contract and equipment purchased by the State and transferred to the Contractor, or equipment purchased by the Contractor and reimbursed by the State) shall be the sole, absolute and exclusive property of the State of Arizona, free from any claim or retention of right on the part of the contractor, its agents, sub-contractors, officers or employees.

15 PRICE INCREASE (After Three Years)

- 15.1 Prices shall remain constant for the first three years of the Contract. The State may review a fully documented request for a price increase only after the contract has been in effect for three (3) years. A price increase adjustment shall only be considered at the time of a contract extension and shall be a factor in the extension review process. The State will determine whether the

requested price increase or an alternate option is in the best interest of the State.

- 15.2 The request shall be submitted at least 150 days prior to the anniversary or renewal date of the contract and shall be a factor in the extension review process. Failure to submit the request within the stated timeframe and/or failure to supply ADOR accurate information that supports the requested price increase may result in the State not approving the request.
- 15.3 The price increase adjustment, if approved, will be effective upon the effective date of the contract extension.

16 INVENTORY

The Contractor shall maintain an inventory of all equipment that includes, as appropriate, the original manufacturers' serial number.

17 ISSUE RESOLUTION PROCEDURE

- 17.1 ADOR and Contractor agree that issues affecting the success of the Contract must be promptly and satisfactorily resolved. If either party identifies such an issue, it may be submitted to the first person on the Issue Resolution Ladder. If a satisfactory resolution is not reached, then the issue shall be escalated to the next person on the Ladder, with this procedure repeating until the issue is resolved satisfactorily or an impasse to resolution is reached. Neither party to the Contract may agree to modify or waive any portion of the Contract except as provided by the Contract. Nothing in this section is intended to prevent or discourage issues from being submitted, at any time, to the ADOR Chief Procurement Officer or the Contractor's official Notices person.
- 17.2 Issue Resolution Ladder: For issues resolution the Contractor may identify issues first to the ADOR Program Administrator for Information Technology, and then escalate to the Chief Information Officer (or their designee) and then to the ADOR Chief Procurement Officer. Contractor shall designate appropriate counterparts for each person on the ADOR Issue Resolution Ladder. Both parties may change the persons at any level on written notice except that the ADOR Chief Procurement Officer review may not be changed. Nothing in this section is intended to modify the right or authority of the ADOR Director to act in accordance with Arizona Revised Statutes.
- 17.3 The ADOR Director shall decide any issue between the Contractor and the ADOR that cannot otherwise be settled pursuant to this section. The ADOR will reduce its decision to writing and mail or otherwise furnish a copy to the Contractor. This decision shall be final, subject only to the Contractor's right to such further remedies as are available by the Arizona Procurement Code, Arizona Revised Statute Title 41, Chapter 23, Article 9 and any other remedy available by law. While pursuing any such further remedies, the Contractor shall proceed diligently with the performance of the Contract in accordance with the decision of the ADOR Director.

18 TASK ASSIGNMENT

- 18.1 Should ADOR require additional billable Contractor work, both ADOR and the Contractor agree that work will be pursuant to a Task Assignment process specified herein. Task Assignments shall be limited to additional work, which ADOR directs the Contractor to perform, that is within the general scope of the Contract but was not specifically itemized. Task Assignments do not include work or materials omitted by the Contractor, which are needed for the successful completion or compliance of the Contract. Examples of such Task Assignments include, but are not limited to, requests to produce new reports.
- 18.2 Contractor shall not proceed with any work that causes additional cost to ADOR without written authorization from the ADOR Chief Procurement Officer.
- 18.3 Contractor shall adhere to the hourly rates established in the Contract Price Schedule, including subcontractor personnel. Price for Task Assignments will be on a Firm, Fixed Price basis. However, in order not to delay work, Task Assignments may be initially approved by the ADOR Procurement Officer on a "not to exceed" basis and a Firm, Fixed Price will be approved by the ADOR Chief Procurement Officer at a later date.
- 18.4 ADOR may prepare an initial Task Assignment Proposal (TAP). In response to a TAP initiated by ADOR, Contractor shall submit, at no cost to the ADOR, a Task Assignment Offer (TAO), that is responsive to the TAP, which shall include, but is not limited to, the following: Method of Approach to the tasks in the TAP (including any suggested changes), specific personnel to be assigned to complete work, the number of hours per staff person assigned, needed to complete the TAP, and the cost based upon the Contract Price Schedule and the level of effort proposed. Pricing for items or materials not included in the Contract Price Schedule shall be supported by three (3) written quotes or another method approved by the ADOR Chief Procurement Officer.
- 18.5 ADOR may issue a Task Assignment based on the TAP and the TAO. Task Assignment shall be signed by the Contractor and the ADOR Chief Procurement Officer for the Task Assignment to be effective.
- 18.6 A Task Assignment shall only be changed pursuant to:
- 18.6.1 A Task Assignment Amendment signed by the ADOR Chief Procurement Officer and an authorized representative of the Contractor.
- 18.6.2 The Change Order procedure as may be specified in the Task Assignment.
- 18.7 The Contractor shall notify, in writing, the ADOR Chief Procurement Officer of differing conditions not anticipated in the Task Assignment which may change cost, methodology, or completion time; however, the Contractor's notice does not relieve the Contractor from its obligation to perform in accordance with the

Task Assignment. Such written notification shall be made as soon as possible but no later than one (1) business day from discovery. Allowable changes will be authorized by Task Assignment Amendment.

- 18.8 The completion of Task Assignment work shall survive the termination date of the Contract, if authorized by ADOR, and the Contractor shall continue work in accordance with the Task Assignment.

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- A Definition of Terms.** As used in these Instructions, the terms listed below are defined as follows:
1. *"Attachment"* means any item the Solicitation requires an Offeror to submit as part of the Offer.
 2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
 3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
 4. *"Contractor"* means any person who has a Contract with the State.
 5. *"Days"* means calendar days unless otherwise specified.
 6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
 7. *"Offer"* means bid, proposal or quotation.
 8. *"Offeror"* means a vendor who responds to a Solicitation.
 9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
 10. *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
 11. *"Solicitation Amendment"* means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
 12. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 13. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.
- B. Inquiries**
1. Duty to Examine. It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its' Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not

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- be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
 3. Submission of Inquiries. The Procurement Officer or the person identified in the Solicitation as the contact for inquiries except at the Pre-Offer Conference, require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.
 4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
 5. No Right to Rely on Verbal Responses. An offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
 6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
 7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
 8. Persons With Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.
- C. Offer Preparation**
1. Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless

- the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
2. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
 3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
 4. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - i. Invitation for Bids. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - ii. Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
 5. Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
 6. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
 7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
 8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.

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9. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
- 9.1 Employee Identification. Offeror agrees to provide an employee identification number or social security number to the Department for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the federal identifier of the offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
10. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
11. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
12. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 12.1 Special Terms and Conditions;
 - 12.2 Uniform Terms and Conditions;
 - 12.3 Statement or Scope of Work;
 - 12.4 Specifications;
 - 12.5 Attachments;
 - 12.6 Exhibits;
 - 12.7 Special Instructions to Offerors;
 - 12.8 Uniform Instructions to Offerors.
 - 12.9 Other documents referenced or included in the Solicitation.
13. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

D. Submission of Offer

1. Sealed Envelope or Package. Each Offer shall be submitted to the submittal

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location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.

2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
4. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - i. The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - ii. The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
3. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
4. Disqualification. A Offeror (including each of its' principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
5. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty

(120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.

5.6 Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:

- 5.6.1 Waive any minor informality;
- 5.6.2 Reject any and all Offers or portions thereof; or
- 5.6.3 Cancel the Solicitation.

F. Award

- 1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
- 2. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- 3. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- 1.1 The name, address and telephone number of the protester;
- 1.2 The signature of the protester or its representative;
- 1.3 Identification of the purchasing agency and the Solicitation or Contract number;
- 1.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- 1.5 The form of relief requested.

H. Comments Welcome

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

- 1** **DEFINITION OF TERMS.** As used in these Instructions, the terms listed below are defined as follows:
- 1.2 **“Key Personnel”** means persons whose experience and knowledge is professional in nature as opposed to clerical. Professional work is that which is predominantly intellectual and varied in character (as opposed to routine, manual, mechanical or physical) and involves the consistent exercise of discretion and judgment in the theoretical principles and techniques of a recognized field of science or learning.
- 1.3 **“May”** means something is permissive.
- 1.4 **“Must”** denotes the imperative.
- 1.5 **“Shall”** means something is mandatory.
- 1.6 **“Should”** denotes a preference.
- 1.7 **“Vendor”** means Offeror, unless otherwise indicated.
- 2** **FEDERAL IMMIGRATION AND NATIONALITY ACT**
By signing the Offer the Offeror warrants that it and all proposed subcontractors are in compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal Immigration laws and regulations related to the immigration status of its employees. The Offeror shall obtain statements from all proposed subcontractors certifying compliance with this requirement and shall furnish the statements to the Procurement Officer upon request.
- 2.A** **IT 508 Compliance**
Any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. 41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities. Any exceptions shall be declared in writing in the offer.
- 2.B** **Offshore Performance of Work**
Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by

subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.

3 SUBMISSION OF INQUIRIES

3.1 In addition to the "Submission of Inquiries" section of the Uniform Instructions the following shall apply:

3.1.1 In order to assist the State in preparing for the Pre-Offer Conference, Offerors are encouraged to submit, in writing, any inquiries, clarifications or suggested changes to this Request for Proposal at least seven (7) days before the Pre-Offer Conference. Inquiries regarding the Solicitation will be received and considered beyond 7 days before the Pre-Offer Conference date, but the contents may not be considered in time to respond during the Pre-Offer Conference. Failure to submit, in writing, by the deadline may prevent the State from thoroughly responding during the Pre-Offer Conference. This section does not limit or restrict an Offeror from asking questions or clarifying this Solicitation during the Pre-Offer Conference if written questions, clarifications or suggested changes are not submitted. In addition to a paper copy delivered to the "Offer Delivery Location" address listed on page one (1) of the solicitation, an electronic copy, in Microsoft Word format, should be submitted to the following email address: eps100@cox.net (The State will confirm receipt by email).

4 PRE-OFFER CONFERENCE:

Prospective Offerors are invited and strongly encouraged to attend a Pre-Offer Conference. The conference will be held on date and time and at the location specified on the cover page of the RFP. Parking is located in the parking lot east of the building or on adjacent streets. Enter the building, go to the Information area and inform the attendant that you are there for the Data Center Outsourcing Pre-Offer Conference and provide the Solicitation number. Special security procedures are in effect for this building and Offerors are encouraged to arrive early in order to timely attend the Pre-Offer Conference. The purpose of this conference will be to discuss and clarify the contents of this RFP.

5 PROPOSAL OPENING

Proposals will be opened at the time and date indicated in this solicitation. Only the name of each Offeror will be publicly read and recorded. Prices will not be read.

6 OFFER ACCEPTANCE PERIOD

This section of the Uniform Instructions is amended by modifying the time an Offeror shall hold its Offer open: six (6) months.

7 RESPONSIBILITY AND SUSCEPTIBILITY

- 7.1 The State will, but is not limited to, considering the following in determining Offeror's responsibility as well as the susceptibility of its proposal. Offerors may not be considered responsible or susceptible if they have been debarred from the practice of their profession that would otherwise be necessary in the provision of goods and services under any resulting contract. Offerors may not be considered responsible if they have had a contract within the last seven (7) years that was terminated for cause, due to breach or similar failure to comply with the terms of any such contract. Offerors may also not be considered responsible based upon their record of performance to include factual evidence of their failure, which may be frequent and reoccurring, to satisfy the terms of their agreements and contractual relationships, with any party. Factual evidence may consist of any documented performance reports, customer complaints and/or negative references. Additional responsibility or susceptibility factors include the Offeror's financial, business, personnel, or other resources, including subcontractors; whether the Offeror is legally qualified to contract with the State; the Offeror failed to provide Confirmations that the Offeror's data center(s) will be located within Arizona and that it agrees to meet or exceed all security requirements mandated by the State, the Arizona Department of Revenue (ADOR) and Federal Agencies; and whether the Offeror promptly supplied all requested information concerning its responsibility.
- 7.2 Additional responsibility or susceptibility criteria may include: The Offer was not sufficient to evaluate in accordance with the factors identified in the Solicitation or other necessary offer components. Necessary components include: an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, experience, price(s), signed Solicitation amendments, and/or references, and any other data specifically requested in the Solicitation.
- 7.3 Additional responsibility or susceptibility criteria may include: The Offer limits the rights of ADOR or the State; the Offer materially changes the RFP, which include the Scope of Work, terms and conditions, or the Offeror provides misleading or inaccurate information.

8 DISCUSSIONS

In accordance with A.R.S. § 41-2534, after the initial receipt of proposals, the State may conduct discussions with those Offerors who submit proposals determined to be in the competitive range or reasonably susceptible for award. The State is not required to negotiate, therefore Offers should be submitted complete and on the most favorable terms.

9 FINAL PROPOSAL REVISION

In the event negotiations are conducted with Offerors, the State will issue a written request for Final Proposal Revision. The request for Final Proposal Revision will inform Offerors, that if they do not submit a Final Proposal Revision, their immediate previous written proposed proposal revision will be considered as

their final proposal revision.

10 COMPETITIVE RANGE

If the Procurement Officer determines that the number of Proposals that would otherwise be in the Competitive Range exceeds the number at which an efficient competition can be conducted, the Procurement Officer may limit the number of proposals in the Competitive Range to the greatest number that will permit an efficient competition among the most highly advantageous proposals.

11 EVALUATION

11.1 Offerors are advised that the Arizona Department of Administration (ADOA) may submit an Offer in response to this solicitation and a determination will be made if it is in the best interests of the State to make an award to ADOA. An award will be made to the responsible Offeror whose Offer is determined to be the most advantageous to the State based upon the evaluation factors listed below in relative order of importance with the greatest order of importance listed first

11.1.1 Method of Approach,

11.1.2 Experience, Expertise and Reliability of Offeror's Organization and Key Personnel,

11.1.3 Price(s); and,

11.1.4 Conformity with RFP and Contract Requirements, which includes, but is not limited to Offeror's conformance with Offer submission instructions as specified by the Special Instructions to Offerors.

12 OFFER

The following information should be submitted with each copy of the Offer in sequential order with the first section listed below on top. The Offeror should submit a table of contents and the Offer should be page numbered. When preparing a response to a specific section of these Special Instructions or the Scope of Work the Offeror should repeat the numeric section and title reference, if any. Failure to include the requested information may result in the Offer being rejected. One (1) paper original, six (6) paper copies should be submitted. The original copy of the Offer shall be clearly labeled "**ORIGINAL**". The following is a list of the Offer submission sections:

Offer and Contract Award Form (Attachment #1)
Solicitation Amendments (if any); Signed by the Offeror
Table of Contents
Exceptions to Terms and Conditions (if any)
Debarment Status
Confirmations
Price Schedule (Attachment #2)

Executive Summary
Company Background and Profile
 Company Background
 Company Profile/Experience
Company Profile/Experience
Experience, Expertise of Key Personnel
Method of Approach and Project Details for the SOW
 Program Administration/Management
 Ongoing Efficiency
 Capacity Management
 Performance and Availability Monitoring
 Change Management
 Backup Processing and Practices
 Technical Support/Problem Management
 Security & Confidentiality
 Disaster Recovery
 Transition Methodology

13 OFFER AND ACCEPTANCE FORM

The Offeror shall complete the top part of the "Offer and Acceptance" form (Attachment 1), do not complete the "Acceptance of Offer" section.

14 TABLE OF CONTENTS

The Offeror should submit a Table of Contents that is in the same order as the sections listed below.

15 EXCEPTIONS TO TERMS AND CONDITIONS

In addition to the "Exceptions to the Terms and Conditions" section of the Uniform Instructions, the following shall apply:

15.1 Offerors or vendors (the term "vendor" as used throughout this section is defined as not yet having submitted an Offer) may propose substitutions or exceptions to the Solicitation. Offerors should carefully consider that substitutions or exceptions may result in rejection of the Offer. Vendors may submit **contemplated** substitutions or exceptions before the Offer due date and vendors are encouraged to submit them, if any, not less than thirty (20) days before the Offer due date. Contemplated substitutions or exceptions will permit the State to consider them related to the potential impact to the solicitation and determine if a solicitation amendment is necessary. The State may not issue a written determination of acceptance or solicitation amendment of a contemplated exception or substitution prior to the Offer due date; in that event, a potential Offeror must consider that the exception or substitution has not been accepted by the State. The State is not obligated to negotiate exceptions or substitutions and the State is not obligated to respond to a request to consider substitutions or exceptions prior to the Offer due date.

15.2 The vendor or Offeror should list each exception or substitution, if any, by proposing specific word changes in an interlineated format, which has added text

underlined and deleted text crossed out. If submitting a contemplated exception or substitution prior to the offer due date it should be submitted electronically, in Microsoft Word format to the following email address: eps100@cox.net (the State will confirm receipt by email). If submitting an exception or substitution with the Offer it should be submitted in accordance with the "Exceptions to Terms and Conditions" section of the Uniform Instructions to Offerors (section C.4). Exceptions and Substitutions submitted, under the "contemplated" conditions, prior to the Offer due date will only be considered prior to the Offer due date and they will not be considered after the Offer due date unless also submitted with the Offer.

- 15.3 If the Offeror submits an exception or substitution with its Offer, if awarded a contract, and acceptance of the exception or substitution is not acknowledged by the State in the Acceptance of Offer and Contract Award notice the Contractor will be bound to perform the Contract without the exception or substitution being in effect. No substitution or exception submitted with an Offer is binding upon the State until the State acknowledges acceptance of the exception or substitution in writing.
- 15.4 The Uniform Instructions to Offerors, "Exceptions to Terms and Conditions" section C.4, the following sentence is deleted: "Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement."

16 CONFIRMATIONS

- 16.1 In addition to the "Responsibility and Susceptibility" section of these Special Instructions, to be susceptible for award the Offeror must confirm that it meets the following mandatory requirements. Non-acceptance of or noncompliance with any mandatory requirement, or modification of, or the placing of conditions on acceptance or compliance with any of these mandatory requirements, in whole or in part, may result in the Offer being determined not susceptible for award. The Offeror should confirm the following:
- 16.2 The proposed data center(s) to be used to provide the services requested in this RFP will be located within Arizona. Data centers used for the provision of Disaster Recovery services requested in this RFP are not restricted by this requirement. The Offeror agrees to meet or exceed all security requirements mandated by the State of Arizona, ADOR, and Federal Agencies.

17 PRICE SCHEDULE

Offerors should provide prices for the following five (5) service components on the Price Schedule (Attachment #2):

1. Move the production servers from the AT&T and ADOR facilities to the Offeror's facilities and bring the servers online for operation. This is a one-time payment.

2. "Silver" service level; price is per server, per month.
3. "Gold" service level; price is per server, per month.
4. "Platinum" service level; price is per server, per month.
5. Task assignments; price per hour of staff time.

18 EXECUTIVE SUMMARY

The Offeror should provide an Executive Summary of the proposed solution to this solicitation. This Executive Summary **should not exceed two (2) pages**. It should be a high-level overview of how the Offeror proposes to accomplish the requirements of this RFP. The purpose of this Executive Summary is to convey to the reader of the proposal the Offeror's general approach.

19 COMPANY BACKGROUND AND PROFILE

The State requires the Offeror to be a reputable company of strong financial standing experienced in the delivery of data center outsourcing services.

19.1 Company Background

Provide the following information for the Offeror and as appropriate any sub-contractors. The Offer should clearly distinguish if a response is associated to the Offeror or a Subcontractor. Sub-contractor information is only required for subcontractors that are furnishing any of the services or solutions required for the performance of the contract.

- A. Complete name, telephone number and address of business headquarters. Also, identify the administrative office location(s) and telephone numbers of the major offices and other facilities that relate to the performance under the terms of this solicitation.
- B. If a Division or Subsidiary of another organization, provide the name, address and phone number of the parent.
- C. Name of Chief Executive Officer.
- D. Company Website, if any.
- E. Identify the Offeror's accounting firm.
- F. Federal identification and/or social security number and type of organization (i.e., Corporation, partnership, etc.).
- G. Length of time in business.
- H. Unemployment compensation number.
- I. If incorporated, identify state in which incorporated.
- J. A short narrative description of company's organization, including organization charts. Indicate company officers where applicable.
- K. Principal type of business.
- L. Total number of years in business.
- M. Number of years providing services similar to those requested in this RFP.
- N. An audited profit and loss statement and balance sheet for the Vendor's last three (3) fiscal years.
- O. Is the Offeror currently in the process of filing for bankruptcy? Has the Offeror filed for bankruptcy in the past five (5) years?
- P. Does the Offeror owe the State of Arizona any taxes?

- Q. Indicate if the Offeror is currently under suspension or been debarred by the State of Arizona, any other state, political subdivision, or the federal government?
- R. What are the Vendor's total revenues received from data center outsourcing business during each of the last three (3) fiscal years?
- S. How many data centers does the Vendor currently operate in support of outsourcing customers and what are the approximate size and capacity of each?
- T. What is the annual contract value of Vendor's three (3) largest data center outsourcing operations and support contracts?
- U. If subcontractors are utilized by the Vendor, provide a signed formal agreement (e.g., teaming agreement or any other legally binding document) between the Vendor and each proposed subcontractor.
- V. A description of any performance deficiencies, notices to cure, failure to perform, termination for cause or default within the past seven (7) years. The information for this section is to be provided for the Offeror as currently constituted; any predecessor companies (including any companies the Offeror has acquired); any parent, subsidiary or other affiliated companies. The State may contact any entity listed for the purpose of obtaining references relative to past performances and, if necessary, the Offeror shall sign a release to obtain information.
- W. The Dun and Bradstreet rating or any other credit rating agency.
- X. The status of any threatened, anticipated, or currently active litigation to which the Offeror is a party.
- Y. If sub-contractors will be used, the specific type of the service to be provided and the amount of time or effort (should be specified by a "%") of the total Contract performance. If sub-contractors will be used to perform any portion of the Contract Scope of Work, the Offeror should describe the quality assurance measures that the Offeror will use to monitor the sub-contractor's performance. State reserves the right to request any additional information deemed necessary about any proposed subcontractors.

19.2

Company Profile/Experience

The Offeror should have prior experience operating large data centers and providing production computer outsourcing services to clients similar in size and scope to ADOR.

- 1. Describe the Offeror organization's experience as it pertains to providing data center operations and outsource production computer services for the requirements of this RFP.
 - A. Provide information for four (4) related engagements* within the past three (3) years. Limit the description of each engagement to **one (1) page**, which must include the following:
 - (1) Client Name
 - (2) Address
 - (3) Contact Person
 - (4) Phone Number
 - (5) Time Available
 - (6) Type of Work Performed

- (7) Period Work Was Performed
- (8) Brief Description of Scope of Work
- (9) Related Project Information

*The State may contact any entity listed for the purpose of obtaining references relative to past performances and, if necessary, the Offeror shall sign a release to obtain information.

- B. **On one page**, describe any data center outsourcing projects that have been performed for governmental agencies or entities (state, federal, or local) within the past three years. Include information on the type of the processing work performed (e.g., revenue, criminal justice, welfare).
 - C. **On one page**, identify Key Personnel proposed for this project who worked on any of the above engagements. Describe their roles and responsibilities.
 - D. The Offeror should provide information that demonstrates its capabilities and experience in assisting customers with initiatives to standardize, integrate, simplify, and provide cost-effective IT services in a manner that is collaborative and maintains a high level of maturity in its governance, compliance, and risk management processes.
- 2. If the Vendor intends to subcontract, describe the Vendor's experience in managing subcontractors. **Limit this description to one (1) page.**
 - 3. If the Vendor intends to subcontract, describe the Vendor's experience with each of the proposed subcontractors. Limit the description to one (1) page for each subcontractor.

20 EXPERIENCE, EXPERTISE OF KEY PERSONNEL

The Offeror should include and demonstrate in its response the following for each Key Personnel Position:

- 20.1 Key Personnel should have appropriate experience for the position. The information should document past experience relative to the Scope of Work.
- 20.2 Specify each individual's availability for this Contract, other commitments he or she has and the percentage of time per week that Key Personnel will spend working on the Contract.
- 20.3 Provide similar information for any proposed subcontractors.
- 20.4 Identify the dates by which the positions will be filled.
- 20.5 If a person will perform in more than one position capacity, provide the percent of time for each.
- 20.6 Provide résumés or information for Key Personnel including but not limited to: information detailing, previous employment, professional qualifications, technical

education and training, general or special experience, certifications, licenses and memberships in professional associations, societies, or boards, and a chronology and description of previous work assignments similar in scope and as may be related to this RFP. Information should be limited to two (2) pages per Key Personnel.

- 20.7 Identify back-ups for Key Personnel and plans to limit the impact on the program of Key Personnel who leave employment at your firm.
- 20.8 Offer should state the following, in order: Job title, person's name, and provide the information listed above for each Key Personnel. If a person is not identified, provide a job description and the plan for filling the position to include the date or time frame.
 - 20.8.1 Identify the individual who would have direct responsibility and control over the Contract. The person listed in this section is the highest level of authority responsible for the Contract.
 - 20.8.2 Identify the individual who will manage the project/Contract on a day-to-day basis.

21 METHOD OF APPROACH AND PROJECT DETAILS

- 21.1 The Offeror should submit a method of approach to the Scope of Work as specified in this section by providing the proposed methods, procedures, business practices, and overall suggestions as to how to best transition to, and operate in, the new outsourced production environment.
- 21.2 The Offeror's response should start by **REPEATING** (retyping) the section reference number as it appears in the RFP (e.g., 5.2), and the section/subsection heading (if there is one). Offerors should respond to all issues in the sub-sections below and explain how the proposed approach will solve, manage, or execute the concern or issue.
- 21.3 When responding to this section consider if the response has previously been addressed and provide that Offer section reference number. The Offeror should not repeat the same information in multiple sections of its Offer.
- 21.4 The verbiage for the Method of Approach should be descriptive, factual, provide solutions to problems, and plans of proposed action. The usage of technical language should be minimized and used only to describe a technical process.
- 21.5 The Method of Approach should include, when appropriate, a chronology; provide a detailed schedule of tasks and subtasks to be accomplished and continuing until the task and/or subtasks are completed, and provide start and end dates or time periods for tasks and subtasks as appropriate for performance.

22 PROGRAM ADMINISTRATION/MANAGEMENT

For each of the items below, the Offeror should describe their approach to project management **during both the implementation and operational phases.**

- 22.1 Describe the project management team structure, along with the roles and responsibilities of all team members.
- 22.2 Describe in detail project management processes, methodologies, and procedures.
- 22.3 Describe in detail how the Offeror will conduct planning for this project. Identify Vendor participants in the planning phase of the project.
- 22.4 Describe what ADOR resources will be necessary for the project to succeed.
- 22.5 Describe what automated tools will be used in managing this project.
- 22.6 Describe how ADOR management will be apprised of project status.
- 22.7 Describe the change management procedures to handle such things as out-of-scope requests or changing business needs of ADOR while the migration is underway (pre-operational phase).
- 22.8 Describe what procedures will be used to keep the project on track and what escalation procedures will be employed to address any problems with project progress.
- 22.9 Describe what quality assurance processes, procedures, formal reviews, etc. will be in place over and above the day-to-day work of the project team.
- 22.10 Describe how both parties will work together to accommodate changing ADOR business needs.
- 22.11 Describe the mechanisms for transferring data, applications, and related processes to ADOR or ADOR-selected service provider(s) at the conclusion or termination of this contract.
- 22.12 Describe what customer satisfaction surveys the Vendor proposes that would be jointly administered by the Vendor and ADOR.

23 ONGOING EFFIECIENCIES

The Offeror should provide methodologies that will be used by the Offeror to increase the benefits) to ADOR over time. Describe the Vendor's technology refreshment strategy.

- 23.1 Describe how the Vendor identifies and recommends new technologies for implementation.

- 23.2 Describe the methodology used to pass on economic benefits to ADOR derived from improved technology.
- 23.3 Identify the organizational unit that will be responsible for performing the function specified above.
- 23.4 Describe the processes used to introduce new technologies and how the impact on ADOR will be minimized.
- 23.5 Describe what methods or processes the Vendor proposes to improve day-to-day operating efficiency of ADOR servers.

24 CAPACITY MANAGEMENT

The Offeror should respond to the "Capacity Management" section of the Scope of Work (SOW) by responding to the following:

- 24.1 Describe the methodologies, processes, and procedures employed to monitor capacity issues for all production platforms.
- 24.2 Describe how Offeror personnel will work with ADOR to allocate resources for increases in resource needs due to business changes (capacity planning process).
- 24.3 Describe how disk storage will be managed and what processes, automated tools, etc., will be employed.
- 24.4 Describe how electrical capacity is managed across Offeror's existing client base and what processes, automated tools, etc., will be employed to ensure zero impact to ADOR.
- 24.5 Describe how HVAC capacity is monitored and managed across Offeror's existing client base and what processes, tools, etc., will be employed to ensure minimum service levels are met.
- 24.6 Provide the Offeror's organizational unit responsible for CPU and disk capacity management? Where will this unit be located?

25 PERFORMANCE AND AVAILABILITY MONITORING

The Offeror should respond to the "Performance and Availability" section of the SOW by responding to the following:

- 25.1 What methodologies, processes, procedures, and metrics will the Offeror employ to monitor system performance and availability for all production systems?
- 25.2 Which Offeror organizational unit is responsible for this function? Where will this unit be located?

- 25.3 What will be ADOR's role in performance and availability monitoring? Specifically, describe what level of access ADOR employees will have to the system(s) and what tools will be available for ADOR employees to monitor the systems independently of the Offeror. Describe the resolution and escalation process if system performance or availability deteriorates. Describe the Offeror's approach to correct the problems causing the deterioration.
- 25.4 What mechanisms, including on-line reports, meetings, and formal performance reviews will be used to ensure that ADOR systems performance and availability are maintained or improved?
- 25.5 Describe how the Offeror will assess its actual performance against standards established by ADOR. See "Appendix C" for a list of appropriate availability and performance SLAs that shall be met.
- 25.6 The Contractor shall measure and generate reports on the outsourced production operating environment on a regular basis, as well as after any significant hardware or software configuration change. What information will the Offeror provide to ADOR to assess the impact of changes?
- 25.7 ADOR may elect to utilize a third party benchmarking organization to determine Vendor compliance with availability and performance SLAs. Describe the Offeror's experience working with third party benchmarking organizations.

26 CHANGE MANAGEMENT

The Offeror should respond to the "Change Management" section of the SOW by responding to the following:

- 26.1 Describe the change control methodologies that will be in place to justify changes in the ADOR processing environment and to ensure those changes will not adversely affect performance. Specifically address upgrades or patches to hardware and operating system software. Include a description of any automated tools and audit trails in support of this process.
- 26.2 Describe the role ADOR will play in the methodologies specified in the previous statement.
- 26.3 Describe the organizational unit responsible for change control management. Where will this unit be located?
- 26.4 Describe the Vendor's proposed approach for the management of change between the Vendor's staff and ADOR.
- 26.5 Comment on the ability of the Vendor's change management process to accommodate the large volume of changes that may be generated by ADOR.
- 26.6 Describe what information the Vendor will provide to ADOR regarding the change management process. Will this information be made available electronically? If so, describe how this information will be reported.

- 26.7 Describe what configuration documentation will be maintained and made available to ADOR upon request. Will this information be made available electronically? If so, please describe how this information will be reported.

27 BACKUP PROCESSING AND PRACTICES

The Offeror should respond to the "Backup Processing and Practices" section of the SOW by responding to the following:

- 27.1 Describe the Vendor's tape processing or backup processing environment (e.g., level of automation, processing routines, tape librarian's role).
- 27.2 Describe if and how Contractor backup software products and control processes will be used during the implementation and operational periods.
- 27.3 Describe the processes that will permit data input to ADOR applications from tapes supplied by a wide variety of external sources (i.e., federal, county, private), as well as a variety of physical media (e.g., cartridge, reel, widely varying densities, formats).
- 27.4 Describe the methodology for ADOR to purchase the actual tape reels and cartridges, both during the implementation and operational phases of the contract.

28 TECHNICAL SUPPORT/PROBLEM MANAGEMENT

The Offeror should respond to the "Technical Support/Problem Management" section of the SOW by responding to the following:

- 28.1 Describe the Vendor's policy and procedures for providing technical support for third party software and program products.
- 28.2 What organizational unit will support ADOR processing, and to what extent are the technicians in that unit product specialists or certified in their area of expertise? Where will the technical support staff supporting ADOR be located?
- 28.3 Describe the Vendor's ongoing training program for these technicians.
- 28.4 Describe how the Vendor proposes to provide technical support (e.g., reaction to response time degradation, data recovery, hardware or OS troubleshooting, etc.) for ADOR personnel on a daily basis.
- 28.5 Describe the knowledge transfer process the Vendor will provide to ADOR personnel regarding new features of an upgrade or new program products.
- 28.6 How does the Vendor propose to make product announcements and technical documentation available to the appropriate ADOR personnel?

- 28.7 How does the Vendor propose to handle the interface of its Help Desk function with ADOR's Help Desk? What timeframes for callbacks, notifications, response times, and resolutions can be expected for calls made to the Vendor's Help Desk? Describe the Vendor's escalation process including how the Vendor plans to keep ADOR personnel informed of problem identification, resolution, and escalation as needed.
- 28.8 To what degree will ADOR Help Desk personnel have access to system logs and console commands to assist with department-level problem determination and resolution?
- 28.9 Describe the Vendor's process for problem management including any software packages used, coordination required, and communications to ADOR personnel.
- 28.10 Describe the Vendor's process for monitoring and analyzing storage capacity and functionality.

29 SECURITY & CONFIDENTIALITY

The Offeror should respond to the "Security & Confidentiality" section of the SOW by responding to the following:

- 29.1 Describe the physical security controls that will be in place at the proposed data center(s).
- 29.2 Describe the environmental, fire suppression, and anti-terrorist controls that will be resident in the Vendor's data center(s).
- 29.3 Properly identified and previously authorized ADOR employees, federal auditors, and privately contracted auditors must be given access, pursuant to guidelines established by ADOR, to the Vendor's data center(s) 365 days a year, 24 hours a day. Such visits may be announced or unannounced. Describe how the Vendor will support this requirement.
- 29.4 Describe what steps the Vendor will employ to guard against and monitor unauthorized activity of the Vendor's employees and all other unauthorized parties in the implementation and maintenance of security software.
- 29.5 Describe what steps the Vendor will take to guard against the unauthorized access or alteration of ADOR data by the Vendor's employees and all other unauthorized parties. How would violations be recorded and reported to ADOR?
- 29.6 Describe what security training Vendor employees are given, specifically those working in the data center(s), both upon their initial hiring and throughout their employment.
- 29.7 ADOR requires thorough criminal background checks and regulatory required training of the Vendor's employees. Describe the Vendor's current security screening practices for new hires, and any ongoing security screenings that may

take place (e.g., random drug testing). Include the extent of security clearances or certifications required of Vendor's employees.

- 29.8 Describe proposed security practices for the transfer of ADOR data from the Vendor's data center(s) to the first point of ADOR responsibility.
- 29.9 ADOR has multiple applications which require data to be encrypted during transmission over the network. Describe how the Vendor will satisfy this requirement for data encryption.
- 29.10 Describe how the Vendor will interface with ADOR security personnel to manage required access and upgrades to operating system security components.
- 29.11 Describe any recommendations the Vendor proposes to enhance the security and reduce the risks in an outsourcing relationship.
- 29.12 Describe the practices and experience the Vendor has for the handling and destruction of very sensitive data on electronic and printed media.

30 DISASTER RECOVERY

The Offeror should respond to the "Disaster Recovery" section of the SOW by responding to the following:

- 30.1 What is the Vendor's procedure(s) for declaring a disaster and initiating disaster recovery actions? What are the roles of the Vendor and ADOR?
- 30.2 Describe the Vendor's policies and procedures on restoration of services.
- 30.3 Describe what information ADOR must provide the Contractor to effect the transition of mission-critical applications to a hot site. Describe how disaster recovery capabilities will be tested.
- 30.4 Describe the role ADOR will play in testing and actual recovery.
- 30.5 Describe data backup policies and procedures.
- 30.6 Describe the equipment the Vendor will provide to minimize or eliminate the impact of electrical failures.
- 30.7 Describe how the Vendor proposes managing both tape rotation and archiving during the implementation and operational phases of the contract.

31 TRANSITION METHODOLOGY

The Offeror should describe the approach to be used to relocate ADOR data centers to the Offeror and respond to the following items:

- 31.1 Describe the procedure that will be used to review progress in the implementation schedule.

- 31.2 Will the Vendor move the hardware configuration of each data center “as is” at the time of outsourcing, or does the Vendor propose making changes to each hardware environment prior to the migration? Describe what changes are proposed, if any. Describe what benefits will accrue if any pre-migration hardware changes are made.
- 31.3 What changes/testing/ADOR support will be expected by the Vendor?
- 31.4 How will ADOR data, programs, and third party software be transferred?
- 31.5 Describe what changes, if any, may be needed in application code to support the outsourced environment.
- 31.6 What documentation will the Vendor require from ADOR in order to effect the transition and continued operation of ADOR servers?
- 31.7 What training needs to be provided by ADOR to Vendor employees as part of the transition?
- 31.8 Describe the impact on operations and any anticipated downtime to ADOR during the transition. How does Vendor propose to minimize downtime?
- 31.9 Describe how the transition of equipment and communication lines will be handled.
- 31.10 If the Vendor’s approach is to initially migrate ADOR facilities “as is”, describe hardware changes that could lead to greater economies of scale over time.
- 31.11 Describe the testing methodology to be employed to ensure that service and production levels will not be negatively impacted immediately before, during, or after a data center migration.
- 31.12 Describe the proposed process to be used to reach mutually agreed upon transition acceptance criteria.
- 31.13 Describe the benefits and risks to ADOR associated with the proposed transition methodology.
- 31.14 Provide a detailed task list for the migration of an individual data center. A Gantt chart outlining specific tasks with identification of both Vendor and ADOR resource/personnel requirements is acceptable.

CONTRACT LANGUAGE FOR GENERAL SERVICES

I. PERFORMANCE

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the contractor or the contractor's employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (4) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems receiving, processing, storing and transmitting Federal tax data/information must meet or exceed C2 controlled access protections (CAP) wherein the operating security features of the system have the following minimum requirements: a) approved written security policies, b) accountability, c) assurance, and d) documentation. The requirements of the security features must enforce identification/authentication, discretionary access controls, object reuse, audit trails and confidential transmissions. The security features must be activated to protect against unauthorized access, use, disclosure, disruption, modification, or destruction of Federal taxpayer data/information.
- (7) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.

(8) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.

(9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

(10) (Include any additional safeguards that may be appropriate.)

II. CRIMINAL/CIVIL SANCTIONS:

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee **[United States for federal employees]** in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure

of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

III. INSPECTION:

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

IV. VIDEO AND CONFIDENTIALITY:

The contractor shall require all employees having access to federal or Arizona information: (1) view "Safeguarding Federal Tax Information - Stop UNAX in its Tracks"; (2) read and review training document GEN1015 "Confidentiality for ADOR Vendors"; and (3) sign and return the document "Confidentiality Agreement of Non-DOR Employees".

CONFIDENTIALITY AGREEMENT OF NON-DOR-EMPLOYEES

I have read the Confidentiality Training Handout, GEN1015. I also viewed and understand the contents of "Safeguarding Federal Tax Information Stop UNAX In It's Tracks". I agree to conform to the information contained in the handout.

I understand that the consequences for revealing confidential information include prosecution and/or dismissal from my employment.

Printed Name

Employer

Signature

Date